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I. LAND AND PEOPLE

A. General

Geography

1. Hungary is situated in the Carpathian Basin in Central Europe. It extends over an area of 93,033 square kilometres.

2. The Alföld, or Great Plain, in the eastern part of the country, is bisected by the River Danube, and is very fertile. The western part, the Dunátúl, or Transdanubia, on the other hand, is the exact opposite: it is characterized by a series of rolling hills. Mount Kékes (altitude 1,014 metres above sea level) is the highest point in the country. The major rivers are the Danube, the Tisza and the Dráva, Hungary's largest waterways are Lake Balaton, Lake Velence and Lake Fertö. The country is extremely rich in thermal waters.

3. The country is typically temperate, with Continental, Atlantic and Mediterranean features and distinct seasons. The climate of the country as a whole is affected more by temporal fluctuations than differences in the various regions. The number of hours of sunshine averages out at between 1,900 and 2,500 a year. The distribution of precipitation is unpredictable, there usually being considerable differences between the regions of the country to the left and the right of the Danube. The mean annual temperature is 11°C (51.8°F) close to the southern border, and 6°C (42.8°F) at the highest points (Mátra and Bükk mountains).

4. The total length of the boundaries of Hungary is 2,242 kilometres, 608 km of which are shared with the Czech and Federal Republic, 215 km with the Soviet Union, 432 km with Romania, 631 km with Yugoslavia, and 365 km with Austria.

Brief recent history

5. After losing World War I, the Austro-Hungarian Dual Monarchy broke up, and the Trianon Peace Treaty of 1920 took the victors' military strategic interests into consideration when drawing up the new borders. The result was that one-third of the population of Hungary found itself scattered, though in sizeable conglomerations, throughout the successor States. Apart from this, the territorial change deprived Hungary of the bulk of its sources of raw materials. These historical facts highly influenced the policy of Admiral Miklós Horthy's regime that arose from the ashes of a bourgeois democratic revolution (1918) and a Communist revolution (1919). Without assessing the real balance of power, the conservative rather than Fascist leadership joined Hitler's war in the hope of regaining some of the territory Hungary had lost after World War I. In 1944, Hitler's troops occupied the country. The pull-out attempt Admiral Horthy, Regent of Hungary, made from the war in October 1944, proved unsuccessful, and the extreme right Arrowcross Party that came to power plunged the country to historical rock-bottom.

6. In the meantime, Hungary had itself become an arena of war for the Soviet offensive against the Germans. In December 1944, a new Hungarian government was formed in Debrecen, an already liberated town in the eastern part of the country. Hungary was proclaimed a republic in February 1946, and exactly a year later, in February 1947, Hungarian government representatives signed the Paris Peace Treaty which restored the frontiers of 1938, i.e., of the Trianon Peace Treaty.

7. Directly after World War II, the Hungarian people strove to express their political principles. In 1945, six parties which gained the seal of approval of the Allied Control Commission, entered the first post-War elections. The results: the Independent Smallholders' Party won 245 mandates and the Communist Party 70. By 1947, only two parties constituted the opposition to the Communist Party, and gradually, they, too, folded under the increasing political pressure. A single-party system led by Mátyás Rákosi (1892-1971) came into being. The Stalinist Constitution of 1949 threw the way open for the introduction of dictatorial means and methods.

8. On 23 October 1956, a popular uprising, which gradually turned into a revolution and freedom fight, broke out against the hated leadership and its regime. This struggle was quashed by Soviet troops and eventually Imre Nagy, leader of the new government, and other government members were executed. The dictatorship was restored with Soviet support.

9. During the decades of the regime under János Kádár (1912-1989), it became clear that state socialism was impossible to reform, and a turn was needed. The demand for a multi-party system started gathering momentum, and the breakdown of the party state became an irreversible process. On 16 June 1989, huge crowds gathered to witness the reburial amid great solemnity of the martyrs of the 1956 revolution, and on 23 October 1989, Hungary was again proclaimed a republic, with the epithet socialist being dropped from the official name of the nation. Free elections were held in spring 1990, and were won by a wide margin by the Hungarian Democratic Forum. Consequently József Antall, the president of the party, was asked to form the new government, which was sworn in on 24 May.

10. On 30 September 1990, local elections nationwide marked a further big step in the change in regime.

Parliament

11. With the promulgation of the Constitution on 21 October 1989, and the ensuing formation of the Government, the Republic of Hungary became a parliamentary republic in the European sense. The interrelationship of the three main arms of the governmental system - Parliament, the president of the Republic, and the Government - are determined by the democratic principle of control and balance.

12. Hungary's unicameral Parliament consist of 386 members elected for a four-year term. The fact that 95.6 per cent of the MPs elected in spring 1990 are new to Parliament is proof positive of a real change in regime. The average age of MPs is 46. Women occupy 7.25 per cent of seats in Parliament.

13. The political composition of the new Parliament admirably reflects a multi-party system. The six parliamentary parties managed to secure the following numbers of seats in Parliament:

Hungarian Democratic Forum (MDF)	164
Alliance of Free Democrats (SZDSZ)	94
Independent Smallholders' Party (FKgP)	44
Hungarian Socialist Party (MSZP)	33
Federation of Young Democrats (FIDESZ)	22
Christian Democratic People's Party (KDNP)	8

14. The Hungarian Parliament has important scope within the Government structure. Parliament elects the President of the Republic; the Prime Minister and the members of the Constitutional Court; the Ombudsmen for national and ethnic minority rights; the president of the Supreme Court; and the Chief Prosecutor.

15. The Hungarian Parliament has one speaker - Dr. György Szabad (MDF) - three deputy speakers - Dr. Alajos Dornbach (SZDSZ) Mátyás Szürös (MSZP), and Vince Vörös (FKgP) - and eight minute-takers. It is a parliament that operates continually with two regular sessions from February to 15 June and from September to 15 December. The sessions are open to the public, and Hungarian Television transmits them live. Over half of all MPs have to be present for there to be a quorum. To amend the Constitution and to take other major decisions, a two-thirds majority vote is required. There is a separate law regulating the legal status of MPs, including legal immunity.

Population

16. In January 1990, the population of Hungary was recorded at 10,375,000, 3.1 per cent less than in the 1980 census. The population density in Hungary's total area of 93,032 square kilometres was 112 people per square kilometre, 3 people per square kilometre fewer than 10 years earlier.

17. The 1990 census revealed that the number of deaths per 1,000 inhabitants had increased over the death rate of the previous 30 years. The male population went down by 201,000, and the female population by 133,000.

18. The distribution of the population in Hungary is uneven. Over two million people live in the capital. Of the 3,300 settlements the country has, over 1,800 are in Transdanubia, an area west of the Danube, more than 500 are located in the Northern Highlands, whilst on the Great Plain, there are only 950 villages and towns.

19. Nineteen counties and eight cities of county status make up the main administrative districts. Outside the capital of Budapest, there are now 157 towns, as compared to the 90 settlements of township rank in 1980. This means that during the 10 years in question 700,000 former villagers became townsfolk in the country. Three-fifths of the population are now town-dwellers.

20. The major cities in Hungary are Budapest, with its population of 2,113,645 in 1989; Debrecan, 219,151; Miskolc, 207,826; Szeged, 189,484; Pécs, 183,082; and Györ, with a population of 183,082.

READEX FICHE

Nationalities

21. According to data supplied by the nationality associations in Hungary, the country's population includes 200,000 to 220,000 Germans (2.3 per cent of the total), 100,000 to 110,000 Slovaks (1 per cent) 80,000 to 100,000 Southern Slavs (0.9 per cent), 20,000 to 25,000 Romanians (0.25 per cent), and 500,000 to 700,000 Gypsies (5.2-7.3 per cent). The Government has set up a National Office for National and Ethnic Minorities, which operates under a minister without portfolio, to ensure the rights of these groups are observed.

The economy

22. National currency: the forint (Ft or HUF) = 100 fillérs.

23. GDP was US$ 28,000 million in 1989, that is, US$ 2,645 per capita.

24. There were 4,822,700 active earners in Hungary in 1989; 12,064 people were in receipt of unemployment benefit in 1990. The average earnings were 10,574 Ft, which boiled down to 8,179 net after tax and social security deductions.

25. Hungary's rouble-accounted trade consisted of imports worth 200,300 million Ft, and exports to the value of 215,900 million Ft. Hard-currency imports came to 322,400 million Ft. and exports fetched 355,400 million Ft.

26. The Soviet Union, the Federal Republic of Germany, Austria, the German Democratic Republic, Czechoslovakia and Italy were the main markets for Hungarian exports in 1989.

Transport

27. Hungary has a 7,765 km railway network, of which 1,147 km are electrified (1989). The road network totals 140,000 km, of which national highways add up to 29,715 km and motorways represent 218 km (1988 data).

28. In 1989, there were 1,848,200 cars in Hungary, 1,801,100 of them in private hands. There are 26,169 buses and coaches serving a route network of 26,479 kilometres and reaching 3,038 settlements.

29. The Hungarian airline MALEV has a fleet of 22 planes, which flew 1,577,000 passenger kilometres along 43 routes in 1989.

Education

30. Ninety-four per cent of children who leave school at 16 (education is compulsory for all until this age) have completed the eight-grade primary school.

31. There are 675 secondary schools and 57 colleges and universities in Hungary. Around 72,000 regular daytime students attend institutes of tertiary education. (The data for education refer to 1989).

The media

32. Two hundred and seventy-nine people per 1,000 were officially recorded as being TV subscribers in Hungary in 1988. That year television transmission time was 132 hours a week.

Tourism

33. During the first seven months of 1990, 19.6 million foreign visitors arrived in Hungary, 68.5 per cent more than in the same period a year earlier. During the period in question, 7,048 million Hungarian citizens travelled abroad, 13.3 per cent fewer than in 1989.

B. Society in 1990

34. In the past two years Hungary has gone through an explosion-like democratic transformation.

35. The party-State was stripped of its powers peacefully and a seemingly spectacular, but actually extremely difficult, sometimes contradictory transformation process has started. Suppressed emotions found their way to the surface, thus it took some time before the already established institutional system of democracy could really start working.

36. The turning point in the internal development of Hungary was the Parliamentary elections held on 26 March and 8 April 1990, in which several parties participated with their independent programmes for the first time since 1947. In this election 4,912,000 citizens, that is, 67 per cent of the eligible voters took part. Six parties were able to exceed the 4 per cent minimum vote limit assuring seats in Parliament: the Hungarian Democratic Forum (MDF, getting 24.7 per cent of the votes cast for regional lists), the Alliance of Free Democrats (SZDSZ, 21.4 per cent), the Independent Smallholders' Party (FKgP, 11.7 per cent), the Hungarian Socialist Party (MSZP, 10.9 per cent), the Alliance of Young Democrats (FIDESZ, 9 per cent), and the Christian Democratic Peoples' Party (KDNP, 6.5 per cent). Based on the outcome of the elections, a coalition Government was formed with the participation of the Hungarian Democratic Forum, the Independent Smallholders' Party and the Christian Democratic Peoples' Party. These parties have 229 seats in Parliament altogether, representing a 59.3 per cent share of all seats. In conformity with the results of the referendum held on 26 November 1989, Parliament elected the President of Hungary.

37. The election of representatives to local governments and of mayors also took place in two rounds: on 30 September and 14 October. In the first round, 40 per cent of eligible voters took part, in the second round 28.9 per cent.

38. In settlements with less than 10,000 inhabitants, mayors were directly elected. Here 82.9 per cent of the elected mayors ran as independent candidates, while 71.2 per cent of local government representatives were also independent candidates.

39. In settlements with more than 10,000 inhabitants and in the Budapest constituencies half of the representatives were elected in the individual constituencies, while the other half on party lists. Of the elected representatives, 18.8 per cent are SZDSZ candidates, 15 per cent MDF, 11.7 per cent FIDESZ, 11.2 per cent joint candidates of SZDSZ-FIDESZ, 7.7 per cent independent, 6.8 per cent FKgP, 6.8 per cent KDNP, 6.2 per cent MSZP, 2.5 per cent joint candidates of MDF-KDNP, 2.3 per cent joint candidates of MDF-FKgP-KDNP and 1.1 per cent joint candidates of MDF-FKgP.

40. Of the votes cast for the representatives in the Budapest General Assembly, 34.7 per cent went to SZDSZ, 27.4 per cent to MDF, 18.2 per cent to FIDESZ, 7.3 per cent to MSZP, 5 per cent to KDNP, 3.6 per cent to MSZMP, 2.3 per cent to FKgP; the votes for other candidates did not reach 1 per cent. The following parties received seats: SZDSZ (25), MDF (20), FIDESZ (13), MSZP (5) and KNDP (3).

Population and social breakdown

41. According to preliminary data of the census carried out at the beginning of 1990, the number of the population was 10,375,000, which is 334,000 and (3.1 per cent) less than in the previous census, which was held in 1980. Ever since 1981, the decrease in the number of the population could be observed. The decrease was higher among the male population, 201,000, and less among the female population, 133,000, thus the number of women per 1,000 men increased from 1,064 to 1,080 in 10 years. The population has "aged" further. The proportion of children has decreased and that of the elderly has increased. Family life is still the norm; however, the number of single people is considerable, some 850,000. The ratio of those families where only a single parent is raising a child has increased. Today, every seventh family lives this way.

42. According to preliminary data on housing taken from the census, the number of flats in Hungary on 1 January 1990 was 3,817,000, nearly 300,000 more than at the time of the previous census. The increase in flats was mostly the result of the construction of larger flats. The proportion of flats with three or more rooms increased in the past decade from 24 per cent to 40 per cent. As a result of the rapidly increasing number of rooms and of the decreasing population, the average number of inhabitants per 100 rooms decreased from 152 in 1980 to under 120 in 1990. Of these flats 85-87 per cent have community or individual water supply, gas supply and sewage disposal facilities.

43. Population processes in 1990 were very similar to those in the last decade: more people died than were born, the number of the population decreased by a further 22,000. In 1990 121,000 children were born, which was 2,300 less than in 1989. The number of deaths was 143,000, 1,700 less than in the previous year. The ratio of live births per thousand inhabitants was 11.7, which was one of the lowest in European countries, and the death rate was 13.8 per thousand, which was one of the highest.

44. Last year 66,000 marriages took place, almost 1,000 less than in 1989. The number of divorces also decreased by some 1,500, to a round figure of 23,500.

45. The Office for Refugees registered the arrival of 18,200 new refugees in Hungary during 1990. The majority of them (97 per cent) are Romanian citizens, but some arrived from the Soviet Union, Albania, Bulgaria and Yugoslavia as well. Ninety-five per cent of the refugees from Romania were ethnic Hungarians.

46. Including those who arrived in 1990, the number of refugees in Hungary is approximately 36,000. In 1989, there were 7,000 refugees in Hungary who were forced to leave some family members behind; however, during the past year the majority of such families were reunited.

47. In 1990, out of 3,500 requests for refugee status 2,600 people obtained it.

48. The employment situation changed considerably in 1990. The number of active earners at the beginning of 1990 was some 100,000 less than a year before. The decrease took place mostly in the industrial sector, the number of earners in the non-industrial sectors remained practically the same.

Employment

49. The number of employees working with companies and cooperatives employing more than 300 people decreased during the year by 13 per cent, that is, by some 228,000 people; this was accompanied, partially due to restructuring, by a 9 per cent increase in the number of employees in firms employing 50-300 people. The number of joint ventures increased rather dynamically, thus creating a further 100,000 jobs in firms employing less than 50 people.

50. The number of job-seekers registered with the labour exchange offices increased almost three and a half times, from 23,400 to 79,500, while the number of reported vacant jobs dropped from 37,700 to 16,800. The ratio of registered unemployed as compared to active earners is under 2 per cent, which cannot be considered high in comparison with the unemployment rates of countries with developed economies, but its increasing tendency, the corresponding insecurity and the fact that society is just learning to live with it give cause for concern.

51. Unlike before, unemployment threatens not only the unskilled, even though nearly half of the registered unemployed have completed eight grades of schooling or less. However, in 1990 the number of unemployed skilled workers and professionals increased considerably.

52. Within the country, we can find the highest unemployment rate in the North-Eastern region, primarily in the counties of Borsod-Abaúj-Zemplén and Szabolcs-Szatmár; the number of unemployed in these two counties together was 22,910 at the end of 1990.

53. In the course of the year, 85,495 people received unemployment benefits for shorter or longer periods of time, for an average of 139 days. The average monthly sum of the benefit was HUF 5,886. From among those who were unable to find a job within a year, 3,777 received temporary unemployment contribution, the average monthly sum of which was HUF 4,183.

Income situation

54. The change in the income situation of the population was characterized on the one hand by a relatively fast increase in nominal incomes and an even faster increase in consumer prices, and on the other hand by a wider dispersion of incomes than before. On the national average, real per capita income decreased; incomes from small enterprises have increased while those from traditional employment decreased.

55. The average monthly gross incomes in companies (employing more than 50 people) in 1990 was HUF 13,205, with a net value of HUF 9,960. This meant a gross increase in incomes of 24.9 per cent and a net increase of 21.1 per cent as compared to the previous year.

56. The gross income of 45 per cent of wage and salary earners was between HUF 8 and 12,000, some 20 per cent earned between 14 and 20,000, 13 per cent earned over HUF 20,000, while 7 per cent of full time employees earned less than HUF 6,000. The minimum wage set by law increased considerably several times in 1990, from HUF 3,700 before 1 February to HUF 5,800 after 1 December.

Prices

57. Consumer prices increased by an annual average of 29 per cent compared to the previous year, thus doubling those of five years before. As a result of the accelerated price rises, the average price level in December was 33 per cent higher than in December of the previous year. Beyond this, wide sections of the population, mainly those with low incomes, were especially hard hit because the prices of basic consumer products, primarily foodstuffs, rose at a faster rate: food prices increased by an annual average of 35 per cent, in December they were 37 per cent more expensive than a year before. High inflation was characteristic of the first quarter of 1991 as well; according to forecasts we can expect a price increase of 35-38 per cent in 1991.

Consumption

58. As a response to the fast increase in prices, consumer consumption decreased. This is indicatd by the considerable drop in the volume of retail trade, which makes up the largest part of consumer spending. The entire retail trade system (including smaller shops and private merchants) sold products whose value was a lot higher, but their quantity was some 6 per cent lower than the year before. In retail sales the receipts of larger firms - those employing more than 50 people - dropped by approximately 15 per cent. Among these, sales dropped in all types of products. Sales of miscellaneous goods decreased the least; within this group, compared to 1989, there were more sales of certain items - such as personal computers, pocket calculators, video recorders, cameras, passenger cars. The amount of freezers sold this year was close to the especially high sales of 1989.

59. Savings of the population increased in 1990, the decrease in HUF deposits was surpassed by interest credited to these accounts, and foreign exchange savings of the population increased substantially as well.

Social benefits

60. Efforts to partially counterbalance price increases included the considerable increase (29-30 per cent) in social cash benefits. The largest item among these is pension payments paid in the total sum of HUF 202 billion in 1990, which was 29 per cent more than in 1989. The number of those receiving pension benefits increased by 79,100 within a year, reaching a total of 2,556,300. The average pension per month (HUF 6,683) was 25.7 per cent more than the year before. In August 1990, 14 per cent of pensioners in their own right received less than HUF 5,000, and 34 per cent of them received between 5,000 and 6,000.

61. In 1990 1,452,000 families received a family allowance which was 125,000 more than the year before. This considerable increase was caused by the change according to which family allowance was to be paid from 1 April to all families, while earlier it had only been paid as a social security benefit.

62. Altogether some HUF 13.4 billion was paid for child care allowance and child care pay, some 23 per cent more than the previous year. The annual average of those receiving this benefit was 250,000, 7,000 more than a year before.

Health care - the health situation

63. The number of available places in créches is 50,000, 10 per cent less than the year before, which is in part due to the decrease in the number of births and to the greater utilization of the child care allowance and pay.

64. The personnel situation within the health care service is still characterized by a relatively high doctor and low dentist staffing. The number of general practitioners' districts was 4,536 at the end of the year, the number of inhabitants per district dropped to 2,282. The number of paediatric districts increased by 34 to a total of 1,481. The number of available hospital beds is the same as last year, 105,000.

65. According to the number of reported sick pay cases, the most frequent causes were: diseases of the respiratory system, the muscular-skeletal system and accidents. The number of sick pay cases and work days missed due to high blood pressure-related diseases increased considerably in the last few years. Among the contageous diseases, the number of scarlet fever, measles and rubella cases dropped significantly.

66. The ratio of those on sick pay was similar to that of the previous year (6.9 per cent), an average of 271,000 persons per day.

67. Data on AIDS has been available since 1985. By the end of 1990, 49 cases were reported, out of which 27 were fatal. In 1990, 17 new cases were registered.

Education

68. In the 1980s the education level of the population increased. According to latest census data, more than three quarters of the population over 15 finished at least 8 grades. At least 30 per cent of those over 18 have matriculated from secondary school, and almost one-tenth of those who are over 25 have university degrees.

69. The education situation in general is characterized by a steady decrease in the number of children of the nursery school and elementary school generations, while in the secondary schools, the education of larger and larger generations must be solved.

70. This academic year, nursery schools care for 391,000 children. Because more and more company nursery schools are being closed down, the number of available nursery school places decreased by almost 5,900 as compared to 1989; there were 1,016 children for each 1,000 places. In the elementary educational institutions 1,167,000 children study, 54,400 less than in the previous academic year.

71. In 1990, 26,000 more students attended secondary schools than the year before. Since the middle of the 1980s, there are more and more secondary schools offering a more up-to-date education. In 1990 some 1,200 students were accepted to study in the "0" grade of the secondary schools teaching in two languages, which was 480 more than in the previous academic year. In this academic year, more than 50,000 students (30 per cent of the total number of students in secondary vocational schools) attended technical vocational schools in which they can get a technician's certificate after an extra year of studying following matriculation.

72. In 1990 nearly 110,000 students, 73 per cent of the corresponding generation, obtained a medium level education, almost half of them have skilled workers' certificates, a quarter of them have vocational matriculation certificates, and one fifth have academic matriculation certificates.

73. Now 76,600 students study as day students at universities and other higher education institutions, including theological and military training, out of which 22,700 are first year students.

74. Less and less people make use of the available evening and correspondence courses. In the academic year 1990/91, 68,200 people studied at the evening and correspondence courses of secondary schools, and in those of higher educational institutions 25,700 students were enrolled. The decrease is 10 per cent.

Crime

75. Crime rate increased enormously in 1990, and public safety deteriorated. The number of known crimes was 341,000, which was 116,000 (51 per cent) more than in 1989. The number of captured criminals (112,300) increased by 26 per cent. Of all the criminals 12,300 were juvenile delinquents. The ratio of unsolved crimes increased further. The 66 per cent increase in crimes against property (from 161,000 to 266,000) is a huge jump. Within this

category, crimes against public property increased from 42,000 to 71,000, and crimes against private property increased from 119,000 to 194,000. The number of crimes committed against individuals (murder, attempted manslaughter, assault, etc.) increased by 16 per cent, and thus surpassed 13,000.

An international comparison of major population data

76. The frequency of live births in Hungary is under the European average, while that of deaths is well over the European average. In Hungary almost 14 deaths occur for every 1,000 inhabitants; European averages are between 8 and 12. The high infant mortality rate and the especially high mortality rate of the middle aged play a role in this.

77. As a result, the average life expectancy at birth does not reach the European average. Hungary is among the first regarding the major mortality causes, and it is also a warning sign that in Hungary there are two-four times as many suicides per thousand inhabitants as in other European countries.

C. Society in 1991

78. An important factor affecting the processes taking place in society is the demographic situation, where there was no change last year. Preliminary, partly estimated figures suggest similar numbers of births and deaths to those in the previous year, and so a similar natural decline of about 20,000 in the population. The demographic trends are likely to improve in 1992-1995, with a rise in the birth rate as the larger numbers of people born in the mid-1970s reach child-rearing age.

79. The health provision and state of health among the general public both resembled those in earlier years. The proportion of those drawing sickness benefit was in line with the previous year. The numbers injured in industrial and road accidents fell.

80. There has been a longer-term decline in attendance at day nurseries and infant and primary schools, in line with the size of the age-groups concerned. There were 18,000 more students in secondary education than in the previous year. The number of full-time university and college students also rose.

81. The minimum subsistence level for a four-member, two-child urban family at the end of 1991 was Ft 31,392 a month (Ft 7,84? per head). This was Ft 5,352 (Ft 1,338 per head) higher than in February 1991, due to the rise in consumer prices.

82. The economic recession was accompanied by a sharp rise in unemployment and a high rate of inflation. Similar tendencies can be seen to varying extents in the other ex-COMECON countries of Eastern Europe.

83. The rate of inflation eased during the year but the rise in the unemployment rate accelerated.

Population of Hungary
(in thousands)

Item	1980	1990
Male	5 189	4 987
Female	5 520	5 388
Total	10 709	10 375
Age		
0-14	2 341	2 205
15-39	3 832	3 615
40-59	2 706	2 583
60 and over	1 830	1 972
Budapest	2 059	2 016
Cities	4 375	4 400
Villages	4 275	3 959
Education level (in %) of the corresponding age group		
0 grades	1.1	1.0
At least 8 grades of elementary school	66.1	78.1
At least secondary school certificate	23.1	30.1
Higher educational diploma	6.5	9.4
(Marital status aged 15 and over)		
unmarried	1 479	1 621
married	5 638	5 106
widow/widower	856	894
divorced	395	549

Housing in Hungary

Item		1980	1990
Number of flats (thousand)		3 542	3 817
Number of rooms (thousand)		7 065	8 961
Number of inhabitants per 100 inhabited flats		303	277
Within this:			
in Budapest		276	254
in cities		307	279
in villages		313	288
Square metres per flat		59	69
Number of rooms in inhabited flats (%)			
with 1 room		26.7	15.4
with 2 rooms		49.0	44.7
with 3 rooms		21.0	30.1
with 4 or more rooms		3.3	9.8
Ownership of inhabited flats (%)	Owned	Rented	Co-rented
1980	71.3	28.2	0.3
1990	75.9	23.7	0.1
Within this:			
in Budapest	45.0	54.4	0.2
in cities	75.5	24.1	0.0
in villages	93.8	5.8	0.0

Employment

84. The main features of the labour situation in 1991 were a fall in employment, a sharp rise in unemployment to a relatively high rate, and compulsory short-time working at a number of companies.

85. There were conflicting tendencies behind the reduction in the workforce in the economy as a whole. A marked fall in employment by firms with a workforce of more than 300 was accompanied by a sharp rise in the number of incorporated and unincorporated smaller businesses and in the business activity of such individual and corporate undertakings. The numbers working in them rose substantially, but this could only compensate for some of those made redundant elsewhere, the majority of whom became unemployed.

86. Firms with a workforce of more than 50 in the business sectors observed during the year employed an average of 2,365,000 people in 1991, which was 16 per cent (457,000) fewer than the average for the previous year. In a modified form, the same correlation between the size of firms and the trend in the size of their workforces could be observed. Aggregate employment in forms with a workforce of 50-300 fell by only one per cent (5,000 persons), while in firms with a workforce of more than 300 it fell by 19.3 per cent (452,000 persons).

87. Taking the figures for firms with more than 50 employees, the gross monthly average earnings of full-time employees in the business sectors was Ft 16,766, which was 27.2 per cent more than in 1990. Net average earnings in the same firms are estimated to have risen by 23.4 per cent to Ft 12,270. Allowing for the 35 per cent rise in the level of consumer prices, that means a nine per cent fall in real net average earnings.

88. The registered unemployment (at labour exchanges) of 80,000 in December 1990 represented less than two per cent of the economically active population, a low rate by international standards. The figure rose by over 100,000 in the first half of the year and another 200,000 in the second, so that registered unemployment exceeded 406,000 in December 1991. This rate of over eight per cent of the economically active population puts Hungary among the countries with relatively high unemployment.

89. Breaking the figures down by counties, the highest absolute numbers of unemployed in December 1991 were 50,000 in Borsod-Abaúj-Zemplén and 38,000 in Szabolcs-Szatmár-Bereg. The rates of unemployment compared with employment were highest in Szabolcs and Nógrád counties (around 16 per cent) and lowest in Budapest (two-three per cent).

90. A total of 413,626 persons drew unemployment benefit during the year for an average period of 171 days. The average gross monthly benefit paid was Ft 7,310.

91. The employment problems are reflected not only in unemployment but in short-time working. More than 50,000 industrial employees had their working hours cut during the year by 2-4 hours a day or 1-2 days a week, or were temporarily laid off.

Population and population shifts

92. According to preliminary figures, Hungary's population on 1 January 1992 was 10,335,000, 20,000 down on a year previously and 40,000 down on the beginning of 1990, when the last census was taken.

93. So the decline in the population since 1981 continued. The preliminary live birth and death figures for 1991 are similar to those for 1990. There were 126,000 live births last year, a rate of 12.2 per 1,000, and almost 146,000 deaths, a very high rate by international standards of 14.1 per 1,000. Nor was there an appreciable change in infant mortality, with a death rate of 15 per 1,000 in the first year of life.

94. Around 90,000 abortions were carried out in 1991, a ratio of 71 abortions per 100 live births.

95. There were 66,000 marriages during the year, which was almost as many as in 1990.

Health

96. The number of general-practitioner and pediatric practices rose slightly. By the end of the year there were almost 4,500 local general practitioners and 1,450 local pediatricians. The number of available hospital beds was about 104,000 a fall of about 1,000 from the previous year.

97. The state of health among the population in 1991 followed the trend in previous years. Taking the registered cases where sickness benefit was paid, the commonest causes of absence from work were diseases of the respiratory and musculo-skeletal systems, hypertonic diseases, and accidents.

98. The proportion of the workforce drawing sickness benefit, at 6.9 per cent, was similar to the previous year's; the average daily number of persons on sickness benefit was 250,000. There were 362 fatal industrial accidents in 1991, 15 per cent fewer than in 1990. There was a similar fall of about 15 per cent in the number of road accidents causing injury and in the number of injured.

99. The number of old age and disability pensioners rose in 1991 by 123,500 to a year-end figure of 2,679,800. The number of child allowance recipients rose by 66,000 and the number drawing flat-rate or earnings-related childcare allowances rose by 10,000.

Education

100. There are 394,000 children attending infant school during the 1991-1992 school year. Due to some inadequate facilities being closed, the number of infant-school places fell by about 6,400, leaving a provision ration of 1,000 per 1,041 in the age-group concerned. There are 1,118,000 pupils in eight-grade primary education, which is 50,000 fewer than in the previous school year.

101. The figure of 534,000 young people in full-time secondary education is 18,000 higher. The number of entrants into the extra zero grade of secondary schools with two languages of instruction rose by 350 to 1,566. There are 53,000 young people (30 per cent of those in vocational secondary education) attending technical schools that offer a secondary school-leaving certificate as well as a technical qualification.

102. A difficult situation has arisen in schools offering training in vocational skills because of the decline in the training activities of large State-owned companies, and this has caused a fall in the number of students on vocational courses. There are 5,000 young people who have completed primary education taking new types of vocational school courses (domestic science, private farming, etc.).

103. A secondary educational qualification was obtained in 1991 by 114,000 students (three-quarters of the age group concerned). Almost half of these gained a skilled-worker's qualification, a quarter a vocational school-leaving certificate, and a fifth an academic (grammar) school-leaving certificate.

104. Religious denominations run 19 primary, 21 secondary and 1 vocational training school during this school year. Charitable foundations maintain 17 primary and 16 secondary schools.

105. There are 83,200 full-time students at universities and colleges, 25,400 of them in their first year. The full-time students include 5,863 foreigners, of whom 42 per cent attend fee-paying courses taught in German or English.

Housing

106. Housing completions have been falling in the last 10 years. In the first half of the 1980s, some 70,000-75,000 dwellings a year were built. This was down to 55,000 in 1988 and 1989 and 44,000 in 1990. According to preliminary figures, there were 32,872 housing completions in 1991, which was 25 per cent fewer than in 1990. Three-quarters of the new dwellings (24,075) were built by private individuals, 7,221 by firms and 1,459 by local authorities, while 100 were financed by central, publicly funded organizations. Geographically, 14.6 per cent of new dwellings were built in Budapest, 44.4 per cent in other urban areas and 41 per cent in rural areas. The number of completions has halved over the last two years in Budapest, while the fall in other urban and rural areas has been 30-33 per cent. Local authorities and publicly funded organizations build mainly in urban areas, while over half the completions by private individuals were in rural areas.

107. There was also a sharp fall in the number of holiday homes built: 1,772 were completed in 1991, which was 32.4 per cent fewer than in 1990 and hardly a third of the number in 1987.

Retail

108. Retail turnover fell short of 1990 by 2.4 per cent at current prices and more than 28 per cent at constant prices. (Turnover at current prices grew in 1990, while at constant prices it fell by eight per cent.) The volume of

business done by stores was down by 29 per cent and by the catering sector by 23 per cent in 1991. Of the various types of stores, the steepest decline, about 40 per cent, was in the volume of sales by general department stores, hardware stores, confectioners, and drink shops and pubs. The sales volume in book, art and record stores was two-thirds of 1990 figure.

Price movements

109. Individual incomes and consumption were affected by a much higher rate of price inflation than previously. The rate of increase in consumer prices, which had risen by 17 per cent in 1989 and 29 per cent in 1990, rose to a monthly average of 3.8 per cent in the first half of the year, but the rate eased to an average of 1.2 per cent in the second six-month period. The rise over the whole year was 35 per cent. Within this, the price of solid and liquid fuels and postal services more than doubled, as did water rates and charges. Gas domestic power, transport, private cars and stationery and school supplies became 50-60 per cent dearer. Of the main product groups, prices of meat, meat products and poultry rose by an average of under two per cent as a result of various increases and decreases during the year. This was a big factor behind the relatively moderate overall price rise of 23.1 per cent in the food, beverage and tobacco sector. The rate of consumer price inflation is expected to ease substantially in 1992.

110. Forint savings deposits (including savings bonds) fell by Ft 22.8 billion during the year, while convertible-currency deposits with financial institutions and travel agents IBUSZ rose by the equivalent of Ft 61.6 billion. The estimated total interest paid at the end of the year was Ft 56.8 billion on forint deposits and 0.8 billion on convertible-currency deposits. These resulted in an increase in deposits of Ft 96.4 billion over the year (from Ft 368.4 billion to Ft 464.8 billion). The end-year stock of deposits consisted of Ft 330.9 billion in forints and Ft 133.9 (about US$ 1.75 billion) in convertible currency.

111. The value of the securities (excluding savings bonds) in private hands grew by Ft 74 billion over the year, to reach Ft 163.7 billion. Personal loans fell by Ft 115 billion, from Ft 330 billion to Ft 215 billion, in the same period. Two-thirds of the fall was accounted for by the writing down of older loans at concessionary rates of interest, and a third by loan redemptions and repayments by the general public.

International Tourism

112. Hungary's international tourist trade has grown substantially in recent years, and the trend largely continued in 1991, even though there were fewer foreign visitors than in the previous year. This fall was confined to short-term visitors (excursions and transit), while the number of tourists continued to grow. There was also an increase in the number of Hungarians travelling abroad.

113. A total of 33.3 million foreign citizens arrived in Hungary in 1991, which was 4.4 million (11.6 per cent) fewer than in the peak year of 1990, but substantially more than in any earlier year. Two-thirds of the visitors spend more than a day in the country, as opposed to 55-60 per cent in 1990. This meant that there were 21.9 million tourists in 1991, which was 1.4 million more than in 1990.

114. Foreign visitors spent an average of five nights in Hungary in 1991, which was substantially longer than in the previous year.

115. Hungarian citizens made 14.[illegible] million trips abroad in 1991, 5.3 per cent more than in the previous year. [illegible]is meant that after a temporary decline in 1990, the figure again approached the record 14.5 million figure in 1989. A growing proportion of the travellers (more than half) were concentrated on the Austrian border, where 7.4 million border crossings by Hungarians were recorded, which was 30 per cent more than in 1990 and 18 per cent more than in 1989.

LABOUR FORCE

	1991/1990 (Percentage)
Number employed in business sectors*	83.8
Number of registered unemployed at end of year	510.7
Gross nominal monthly average earnings in business sectors	127.2
manual	126.0
clerical	128.5
Net nominal monthly average earnings in business sectors	123.4
manual	123.0
clerical	123.4

* Corporate business entities employed over 50 persons

EMPLOYMENT AND AVERAGE EARNINGS IN 1991

	Number employed ('000)	(% of 1990)	Gross average earnings* Ft	(% of 1990)	Net average earnings Ft	(% of 1990)
Mining	65.3	84.0	26 003	135.6	17 361	128.5
Electric power	41.2	93.2	24 150	140.2	16 302	132.1
Metallurgy	50.9	81.8	20 088	123.2	14 242	120.1
Engineering	318.9	83.9	16 277	126.8	12 048	123.3
Building materials	49.8	87.6	16 813	126.8	12 371	123.2
Chemicals	95.1	92.6	22 072	131.0	15 286	126.0
Light industry	237.7	87.1	13 433	123.8	10 333	121.3
Other industry	16.6	72.4	12 867	121.1	9 972	119.5
Food processing	181.1	92.8	17 260	125.3	12 625	122.1
Industry	1 051.5	87.0	17 494	127.9	12 695	123.8
Construction	162.8	78.0	17 419	121.2	12 617	118.3
Agriculture	411.3	75.6	12 962	115.9	10 073	115.4
Forestry	37.4	82.7	12 677	115.2	9 969	115.0
Agriculture + forestry	448.6	76.1	12 938	115.9	10 064	115.4
Transport	228.1	87.4	17 576	136.0	12 833	130.2

EMPLOYMENT AND AVERAGE EARNINGS IN 1991 (cont'd)

	Number employed ('000)	(% of 1990)	Gross average earnings* Ft	(% of 1990)	Net average earnings Ft	(% of 1990)
Post and telecom	72.9	99.9	19 652	142.1	13 936	133.9
Transport + post + telecom	301.0	90.1	18 036	137.6	13 077	131.2
Domestic trade	300.8	84.5	16 920	129.6	12 319	125.3
Foreign trade	17.8	83.6	37 417	130.2	22 810	123.2
Trade	318.6	84.5	18 085	129.6	12 915	125.0
Water management	60.0	85.0	17 536	126.3	12 797	122.8
Other business branches	22.2	68.8	17 292	130.2	12 427	125.0
Total for business branches	2 364.7	83.8	16 766	127.2	12 266	123.4
of which: Employing 51-300	474.2	99.0	15 257	120.0	11 324	118.1
Employing 300 +	1 890.5	80.7	17 135	129.2	12 497	124.8

* full-time employees

PRICE MOVEMENTS

	1991/1990 (Percentage)
Consumer price index	
of which:	135.0
Foodstuffs	121.9
Beverages, tobacco	125.1
Clothing	132.1
Heating, domestic energy	181.0
Consumer durables	131.7
Other consumer goods, petrol	143.4
Services	141.9

DOMESTIC TRADE

	1991/1990 (Percentage)
Retail sales turnover:	
At current prices	97.6
At constant prices	71.8

HOUSING CONSTRUCTION AND ELIMINATION

	1991/1990 (Percentage)
Number of dwellings built	75.1
Number of dwellings eliminated	72.5
Number of holiday homes built	67.6

TOURISM

	1991/1990 (Percentage)
Number of foreigners arriving in Hungary	88.4
Number of foreign tourists	106.6
Number of Hungarians travelling abroad	105.3
Turnover of commercial accommodation a/	
Number of foreign guests	76.4
Number of foreign guest/nights	78.1
Number of Hungarian guests	78.7
Number of Hungarian guest/nights	65.2
International tourism turnover:	
Foreign currency earnings (Ft equivalent)	127.5 b/
Foreign currency expenditure (Ft equivalent)	100.6 b/

TOURISM (cont'd)

	1990	1991
Balance of international tourism		
Aggregate balance (billion Ft)	22.6	38.1
Balance on convertible accounts (billion Ft)	21.1	39.8
Balance on convertible accounts (million US$)	333.4	527.5
Balance on non-convertible accounts (billion Ft)	1.5	-1.8
Balance on non-convertible accounts (million SUR)	58.3	-50.4

a/ Firms employing over 50

b/ January-November

* * *

This material was compiled by the Central Statistical Office in February 1992.

Infant mortality

	1986	1987	1988	1989	1990
(Total)	2442	2178	1967	1941	1863

Infant mortality rate

	1986	1987	1988	1989	1990
(per 1 000 alive births)	19.0	17.3	15.8	15.7	14.8

Maternal mortality

1986	1987	1988	1989	1990
19 persons	17	21	19	26

Fertility rate

1986	1987	1988	1989	1990
1.83	1.81	1.79	1.78	1.84

Population in urban and rural areas

	1 January 1990
Total	10 374 823
Rural areas	3 957 550
Urban areas (without Budapest)	4 400 499
Urban areas (including Budapest)	6 417 273

D. National and ethnic minorities

116. Due to its geographical position, the Carpathian Basin has, throughout its history, constantly been a gathering point for various peoples. Occupying this region 1,100 years ago, the Hungarians came across the original population of Slavs and Celts. The founder of the Hungarian feudal State, King Saint Stephen, tried to transplant European norms into his emerging State system by resettling foreigners - Teutonic knights, Italian and French monks - into his country. In its days of glory, the medieval Kingdom of Hungary was continuously expanding its frontiers, thereby integrating a mostly Slavic population under Hungarian sovereignty. The wars against the Turks between the late fifteenth and the late sixteenth centuries and the long-term occupation by the Ottoman Empire of the middle portion of the Carpathian Basin, which lasted for 150 years, resulted in a dramatic decrease in the population of the central part of the region, which had been predominantly Hungarian.

117. Though retaining its constitutional independence, Hungary became an autonomous province of the Habsburg Empire after the expulsion of the Turks. The monarchs, first of all King Charles III and, later, Queen Maria Theresa invited foreign settlers, mostly Germans and Slovaks, to the depopulated territories offering them various inducements in the form of privileges. The ethnic map of today's Hungary was essentially drawn in this very period.

118. In the period between the late eighteenth century and the Trianon peace treaty (1919-1920), Hungarians constituted a minority in the country, their percentage of the total population ranging from 42 to 48 per cent in the middle of the nineteenth century. However, the political and ethnic map of the Carpathian Basin was radically altered by the Trianon treaty: the Kingdom of Hungary lost two thirds of its territory and more than 3 million ethnic Hungarians were incorporated into the new States which emerged in Hungary's immediate vicinity (Romania, Czechoslovakia, Yugoslavia).

119. The new Hungary of 93,000 square kimometres could not be called a multinational country. However, there are several national and ethnic minorities living in its territory.

Demographic characteristics of the national and ethnic minorities

120. When speaking about minorities in Hungary, mention is usually made of gypsies, Germans, Slovaks, Romanians, Croatians, Serbs and Slovenes. In addition however, there are also considerable numbers of Bulgarians, Greeks, Poles and Armenians living in our Hungary.

121. Hungary's statistical data collection system is among the most reliable in the general region. Still, there are no exact data available regarding the numerical strength of the various minorities or their percentage of the total population. This can be explained by historical and psychological factors.

122. As a result of the Trianon treaty, Hungary contracted into a State small by the standards of East Central Europe. Between the two world wars, Hungary pursued a policy of publicly demanding territorial revision of the treaty. Thus, relations with the neighbouring States, i.e. the home-countries for most of Hungary's national minorities, were tense. During the Second World War,

Hitlerite genocide nearly wiped out Hungary's Jewish community, and, after the war the Germans of Hungary fell victim to collective reprisal and were almost all expelled from the country. Following the Paris Treaty of 1947, a Hungarian-Slovak exchange of population took place. About 65,000 Slovaks who had been living for centuries on the territory of present-day Hungary moved to Czechoslovakia, and approximately the same number of ethnic Hungarian citizens of Czechoslovakia were resettled in Hungary, partly into villages vacated by the expulsion of the Germans. In a Hungarian imitation of the Stalinist witch-hunt instigated against Yugoslavia, the late 1940s and early 1950s brought political discrimination against the Croatians, Serbs and Slovenes living in this country.

123. Grievances and fears, historically rooted and harboured by the minorities of Hungary, have survived for generations. Hungarian censuses, therefore, show data which are consistently lower than the actual numbers of minorities.

124. In accordance with the data of the 1990 census, the population of Hungary was recorded at 10,375,323 (as of 1 January 1990).

Chart No. 1

CHANGES IN THE NUMBERS OF INHABITANTS BELONGING TO NATIONAL MINORITIES AND IN THEIR PERCENTAGE IN CERTAIN VILLAGES, 1980-1990

(Data of the 1990 census for 463 villages in which the 1941 census showed the number of those declaring themselves to belong to a national minority exceeding 200 or their percentage exceeding 10 per cent)

Classification	Numbers		Percentage		
	1980	1990	1980	1990	1990 1980=100
	Total population = 100				
Nationality					
Slovak	5 263	5 636	0.7	0.8	107.1
Romanian	5 895	4 851	0.8	0.7	82.3
Croatian					
Serb	14 508	13 266	2.0	2.0	91.4
Slovene					
German	5 252	17 421	0.7	2.6	331.7
Mother tongue					
Slovak	8 595	6 691	1.2	1.0	77.8
Romanian	7 069	5 353	1.0	0.8	75.7
Croatian					
Serbo	20 030	15 272	2.8	2.3	76.2
Slovene					
German	19 072	21 893	2.6	3.2	114.8
Language spoken besides mother tongue					
Slovak	21 790	18 463	3.0	2.7	84.7
Romanian	2 365	4 368	0.3	0.6	184.7
Serbo-Croatian-Slovene	10 011	9 544	1.4	1.4	95.3
German	47 953	49 660	6.6	7.3	103.6

125. According to the estimates made by the minority associations, there are approximately 200,000-220,000 Germans, 110,000 Slovaks, 80,000 Croatians, 25,000 Romanians, 5,000 Serbs and 5,000 Slovenes living in Hungary. The Bulgarian minority numbers about 2,500; the Greek, 6,000; the Armenian, 3,000; and the Polish, 10,000-15,000.

126. The long-term changes in the numbers of the gypsy population are as follows:

Chart No. 2

CHANGES IN THE NUMBERS OF GYPSIES IN THE REGIONS OF HUNGARY
(1893, 1978, 1984, 1986)

	The number of the gypsies			
	1893	1978	1984	1986
The Great Plain	28 277	99 000	113 031	121 739
Northern Hungary	14 309	89 000	109 584	112 203
Budapest and Pest County	4 056	50 000	63 456	74 912
Transdanubia	18 306	87 000	93 929	95 607
HUNGARY	64 948	325 000	380 000	404 461

127. According to recent estimates, the number of gypsies ranges from 400,000 to 600,000.

128. Some empirical surveys, covering only rural areas, have produced the following minimum data: Germans 95,000; Slovaks 50,000; South Slavs (Croatians, Serbs, Slovenes) 38,000; and Romanians 10,000. (Other minorities were beyond the scope of the surveys.)

Living conditions

129. With the exception of the gypsies, the economic intergration of Hungary's minorities can be considered completed. The national minorities are scattered throughout 18 counties in Hungary. The process of urbanization in the last decades has disrupted the traditional communities of the minorities.

130. In the 1940s and 1950s, certain minorities (the Germans, Croatians, Serbs and Slovenes) were subjected to political persecution. At the same time, migration to the towns and cities afforded them a greater degree of protection, probably accelerating the process of urbanization on a large scale. Nevertheless, the minorities have for the most part remained in the villages and are still engaged basically in agricultural activities.

131. The economic recession, which has been intensifying since the 1980s, affects the national minorities in the same way as it affects the Hungarian population belonging to similar social groups. However, the survival of the minorities is endangered to an increased degree as a considerable number of them live in small rural settlements under unfavourable conditions.

132. Gypsies are especially hard hit by the economic crisis. In Hungary, the gypsies' rate of employment has traditionally been low. Though their employment data improved substantially in the period of extensive industrial development, i.e. in the 1940s and 1950s, this was achieved at tremendous human cost. On the one hand, the majority of the gypsies, predominantly village dwellers, was compelled to commute regularly between home and the workplace. On the other hand, due to their lack of professional training, gypsies have been employed only for unskilled labour. The ever-deepening economic recession and the emergence of unemployment are afflicting mainly the gypsies with their low level of training. In the competition on the labour market, employment discrimination has also appeared. The alarming deterioration in the social welfare of this group demands that a comprehensive crisis management programme be drawn up.

Minority rights in Hungary

133. Principles of the regulatory provisions regarding the national and ethnic minorities are laid down in the Constitution, which states that "the national and ethnic minorities living in the Republic of Hungary are participants in the power of the people and constituent components of the State". Besides this declaration, the Constitution guarantees the collective participation of the minorities in public life, the promotion of their cultures, the wide usage of their languages, their right to have education in their mother tongues as well as their right to use their names in accordance with the rules of their respective languages.

134. It is also the Constitution that defines the legal status and the tasks of the parliamentary ombudsman (Commissioner for Citizens' Rights). This legal institution makes the redress of grievances possible for the national and ethnic minorities as well.

135. Beyond these regulatory enactments, the whole of the legal system supports the enforcement of minority rights. The free use of the mother tongue is guaranteed by law. At the same time, criminal acts against national, ethnic, racial or religious groups, as well as racial discrimination, are also prohibited and punishable by law.

136. The number of lower level statutes regulating everyday life is between 18 and 22. Their subjects range from the rules regarding the protection of historic buildings to the norms defining the tasks of the education system.

137. The enforcement of the rights of the national and ethnic minorities is promoted by the laws on local government, which have facilitated the entry of representatives of the minorities into local governmental bodies. The assertion of minority rights is one of the compulsory tasks for any local government.

138. There are several prevailing statutes by which the framework for freely conducted economic activity in accordance with the requirements of a market economy is guaranteed for the minorities, too.

139. Though the Hungarian legal system is fundamentally protective of the minorities, the processes of legal codification and legislation have not yet come to an end. Work is under way on a codex summarizing the rights of national and ethnic minorities; the international agreements and recommendations on minority rights are to serve as its theoretical basis.

140. After coming into force, this legal measure will define the minorities individual and collective rights, including the legal institutions of minority local governments, the parliamentary commissioner for minority rights and local minority spokesman. This law will also lay down the rights of the minorities regarding language usage, public education, culture and mass media. The Parliament is expected to debate this bill as early as 1991.

Minorities in politics and public life

141. The dearth of constitutionality in the last four and a half decades has had a cumulative negative impact on the national and ethnic monorities. Their traditional communities have been crushed by political reprisals such as resettlement, the removal or exchange of populations, and the confiscation of property on the one hand and by the economic processes which have affected the country as a whole, such as the forced collectivization of agriculture and the accelerated pace of both industrialization and urbanization on the other.

142. These structural processes have had a negative effect on the minorities' consciousness and on the state of their languages. Indeed, both the assimilation and the eclipse of their languages have speeded up.

143. Under the conditions of the one-party dictatorship at first and, then, under State paternalism, no effective organizations or representation groups could develop to safeguard the interests of the minorities; the process of their spontaneous self-organization from below could not even get started.

144. The so-called "democratic associations" of the minorities were functioning without members, their activities being limited to the promotion of cultural traditions. In fact, they were nothing but obedient executives of the Communist party's policy on minorities. Moreover, gypsies were not even considered a minority before the end of the 1980s.

145. The democratic political institutions coming into existence after the fundamental change in the economic and social system in Hungary, i.e. the freely elected Parliament and Government, have framed new ideas on minority policy which are related to the traditions and norms of Europe. A twofold process has begun: on the one hand, the Hungarian Government declared those principles which would guide its attitude towards the national and ethnic minorities; on the other hand, the minorities themselves are also gradually establishing organizations to safeguard their interests.

146. The cornerstone of the new Hungarian Government's minority policy is to arrest and, if possible, to reverse the process of assimilation.

147. Therefore, the main tenets in the new conception of minority policy are:

(a) Active minority protection, which helps to preserve the identities of the minorities.

(b) Special treatment (positive discrimination), which is instrumental in achieving equality of opportunity.

(c) Cultural autonomy, a principle to be asserted in local governments.

148. In order to realize these principles, the Hungarian Government considers it important for the democratically elected representatives of the minorities to achieve due representation in all fields of social and political life. The Government proposes to arrange their representation in parliament through direct elections, and it endeavours to establish fair cooperation with the organizations safeguarding the interests of the minorities.

149. The issue of political representation has been solved only partially and temporarily, until the next election.

150. There are about two dozen deputies in the Hungarian National Assembly who belong by birth to one of the minority groups.

151. As the election law permitted only political parties to contest the elections, the minority organizations could not field their own candidates and, in spite of their demands, were not granted guaranteed seats either.

152. Nevertheless, deputies of minority origin, no matter which parliamentary faction they belong to, usually take upon themselves the representation of minority interests. Most notably, these deputies take part in the work of the National Assembly's Standing Committee on Human Rights, Minority and Religious Affairs.

153. In the local elections in the autumn of 1991, minority organizations and associations were permitted to field candidates, but many respected personalities with a minority background were elected representatives to the local governments or mayors as independent candidates. In local governmental bodies there is an especially high proportion of the German, gypsy and Slovak minorities.

154. The development of minority self-organization and self-government began simultaneously with the change of system in the country and this process is far from over. The former "democratic associations" have undergone a transformation; now they have a considerable number of members, and they have become top bodies of the various associations and organizations of their respective minorities. Their activities are focused on the safeguarding and the representation of interests.

155. The remodelled minority organizations are now setting up their regional and local chapters. Furthermore, there are also new alternative associations which have come into being beside the old ones or, sometimes, even in opposition to them. In addition to those organizations safeguarding the interests of the national minorities, i.e. the Germans, Romanians, Slovaks,

Serbs, Croatians and Slovenes, the diasporas of the Poles, Armenians and Greeks living in Hungary have also got their own cultural associations. Most Jews consider themselves members of a denomination, but the Jews also consider themselves a minority and accordingly have their own organizations and cultural associations.

156. No doubt it is the gypsies who have the most colourful array of organizations among the minorities, with almost 40 organizations to safeguard and represent their interests, often anxious to outdo each other. At the beginning of 1991, having recognized the dangers of excessive division, the majority of these organizations congregated into two central bodies: the Romany Parliament and the Hungarian Gypsy Organizations' Association for Safeguarding Interests.

157. The institutional system of communication between the Government and the organizations safeguarding minority interests is also taking form.

158. In September 1990, the government institution responsible for the policy towards the minorities, the Office for National and Ethnic Minorities, was established. In addition to performing governmental activities, one of its most important objectives is continuous communication and coordination with the minorities' organizations. This Office is the trustee for the "Foundation for the National and Ethnic Minorities of Hungary", which was endowed by the Government with 50 million forints in original capital.

159. To facilitate a permanent dialogue with the State authorities, the minority organizations have also established their coordinative and consultative body, the Round-table of Hungary's National and Ethnic Minorities, which sees its present task as working out a law on minorities. Later, however, it can become an association for a concentrated representation of minority interests, conducting negotiations with the parties and with the Government.

160. In 1991, the Parliament allocated 200 million forints in budgetary subsidies to cover the operating expenses of the minority organizations.

Education for the nationalities in Hungary

161. The most important condition for the survival of the minorities and for arresting the process of assimilation is to operate an effective education system for the nationalities. Judging from the statistical data, the situation does not appear dire.

162. In kindergartens for the minorities 13,000 children can familiarize themselves with their mother tongue.

Chart No. 3

DATA FOR KINDERGARTENS OPERATING IN THE LANGUAGES OF THE MINORITIES (1989) 1/

Languages	No. of kindergartens	No. of children teachers	No. of kindergarten
German	167	353	8 253
Romanian	16	17	445
Serbo-Croatian	48	99	1 780
Slovak	58	119	2 524
Slovene	5	7	106
TOTAL	294 2/	595	13 108

1/ The data refer to kindergarten teachers teaching, and children learning, the language of the nationalities as well.

2/ Of the total number of kindergartens, 10 operate in the languages of the nationalities; in 284 education is in the languages of the nationalities as well.

Chart No. 4

DATA FOR ELEMENTARY SCHOOLS OPERATING IN THE LANGUAGES OF NATIONALITIES (1989)

Languages	No. of schools	No. of teachers	No. of pupils
German	172	504	30 660
Romanian	12	77	1 190
Serbo-Croatian	27	138	4 153
Slovak	77	191	7 166
Slovene	2	16	277
German/Serbo-Croatian	18		
German/Slovak	3		
German/Slovene	2		
Romanian/Serbo-Croatian	1		
TOTAL	314 1/	926	43 446 2/

1/ Of the total number of schools, 14 have a special curriculum for the nationalities, whereas the languages of the nationalities are taught in the remaining 300.

2/ Of the total, 2,356 pupils attend schools with one of the languages of the nationalities as a language of instruction, 1,101 attend bilingual schools, and 39,989 attend schools where the languages of the nationalities are taught as well.

163. As for secondary education 900 students are taught in their native tongues in 8 secondary grammar schools for the nationalities (3 for the Germans, 2 for those speaking Serbo-Croatian, 2 for the Slovaks, and 1 for the Romanians) in Hungary.

164. In higher education, training in the languages of the nationalities is carried out at the respective faculties of universities and colleges, but it is limited to the training of educators.

165. However, the state of education for the nationalities is critical when one considers the quality and structure of the training.

166. A permanent education programme in the mother tongue is guaranteed in only 5 per cent of the kindergartens; for 95 per cent of them, the education programme mandates two "nationality days" a week. Nevertheless, due to the lack of kindergarten teachers with a proficiency in these languages, and as a result of the children's poor command of them, the majority of kindergartens is even unable to fulfil this minimum programme.

167. In elementary schools, the situation is basically the same. Pupils in 91 per cent of the schools have only five-six lessons per week to master their mother tongues.

168. In recent years, education for the nationalities has witnessed the appearance of the so-called bilingual schools, in which, in addition to language studies, two or three subjects are taught in two languages. Though there are schools where one of the languages of the minorities is the language of instruction, practically speaking, they, too, only offer bilingual education.

169. The number of secondary grammar schools is small; the limited number of trained specialist educators is a cause for concern at all levels of education for the nationalities.

170. A special mention must be made of the basically unsettled issue of education for the gypsies, the minority with the most unfavourable social status.

171. In its programme, the Government, counting also on the generosity of the minorities themselves and their home countries, has taken it upon itself to create a new school system for the minorities, which will range from kindergarten to secondary school and include the introduction of new forms of education tailored to the cultural characteristics of the gypsies, as well as the establishment of an effective system for the training of minority educators.

172. Due to the limited economic potential of the country, radical improvement cannot be expected in the near future. However, it is a testament to the seriousness of the Government's intentions that, in spite of the scarcity of budgetary resources, local governments maintaining kindergartens and schools have been allotted an extra subsidy in 1991 of 5,000 forints and 14,000 forints respectively, over the general subsidies for education, for every child receiving a minority education.

Cultural life of the minorities

173. The system of cultural institutions of the national and ethnic minorities was already established in the last decades. It consists of a network of museums and libraries with regional or country-wide scope.

174. In recent years, the number of county museums and local library collections has also increased. The publishing of books is mainly the task of the Textbook Publishers (Tankönyvkiadó), but the various minority organizations also have their own publications (almanacs, song books, studies on ethnography). Requests for the establishment of independent publishing houses for the minorities have also been lodged, but the realization of this idea is hampered by financial limitations.

175. An important role in the preservation of the minorities' cultural traditions is played by the amateur art ensembles: dance groups, choirs, orchestras and the clubs, cultural associations, reading circles and people's colleges, the number of which is once again on the rise.

176. At present, Hungary has but one theatre for a nationality, the German Theatre (Deutsche Bühne) of Szekszárd. In the city of Pécs they plan to establish both a Croatian and a gypsy theatre.

Religious life of the minorities

177. In spite of all the persecution, the various churches played a decisive role in the last decades in the preservation of the national identities and mother tongues of the Eastern European minorities.

178. Hungary's new Government acknowledges this role of the churches, and it expects them to contribute to the continuing preservation of the minorities' languages and culture.

179. We have only approximate data on the denominational composition of the society of Hungary. Catholics, predominantly Roman Catholics and, in small part, Greek Catholic Uniates, constitute about 60 per cent of the believers; the proportion of the Protestant churches is nearly 30 per cent, of which Calvinists make up 20 per cent and Lutherans 5 per cent. The rest of the believers belong to one of the numerous smaller churches. The proportion of Jews is about 1 per cent.

180. There are empirical data regarding the denominational structure of the national and ethnic minorities. The Germans are mostly Roman Catholics, though a small number of them belong to the Lutheran Church or to one of the smaller churches.

181. The Croatians and the Slovenes are Roman Catholics and the Romanians are affiliated with the Orthodox churches. The religion of the Slovaks varies by region: the Slovaks of Transdanubia are Roman Catholics, while those living in South-East Hungary are Lutherans. The religious life of the gypsies is characterized by the general rule that their local communities follow the same religion as the local majority. For the time being there are church services

in Romany in only two places, but the gypsies' religious life will be enriched in the near future by the publication of the Bible in Romany, now under preparation, and of several prayer books.

The nationalities' mass media

182. Mass communication for the minorities comes in three forms.

183. In addition to the weeklies and the written press in general, Hungarian Radio broadcasts 20 minute daily programmes in the mother tongue of each nationality. The gypsies have a 30 minute programme every two weeks, mostly in Hungarian. Hungarian Television carries a 30 minute programme for each minority twice a month. This is complemented by 5 minute weekly news bulletins.

184. The introduction of 20 minute weekly TV programmes for each minority, including the gypsies, can be expected in 1991.

185. Programmes for the gypsies will be broadcast more often on the radio as well.

186. It is true, however, that the minority organizations are unsatisfied with both the present and projected amount of broadcasting hours, and they complain about the early afternoon time slots for the minority programmes.

E. The Hungarian economy

187. The conditions of international economic cooperation between Hungary and the Eastern European countries have changed significantly within a short period of time. The socio-economic transformation that took place in these countries had a negative impact, at least in the short term, on their cooperation: trade among them decreased considerably, and other forms of economic relations were suppressed as well. In order to replace the cooperation established within COMECON and other organizations, these countries tried to strengthen their links with Western Europe, with international political organizations and with institutions of global economic cooperation. According to the experiences in 1990, more time and greater financial resources are required for the transformation of these economies than estimated before.

188. A number of factors indicate the substantial transformation of the economy and the changes in business conditions. The number of companies have increased significantly. The majority of these organizations were established on private initiative or with private capital. Some of the capital was supplied by foreign investors. The majority of the new businesses function with a small staff. Their establishment increased the role of small businesses limited liability companies, agricultural small producers, small tradesmen in the economy. Conditions have forced the majority of large companies to restructure their organizations and production, as well as to decrease the number of their employees. The released workforce could not be utilized fully by the small businesses, thus a considerable part of them were left unemployed.

189. After the creation of the legal framework, especially the adoption of the Act on Economic Associations ("Company Act"), the number of individual and joint ventures increased rapidly. The number of businesses with legal entity status increased in 1989 by 4,420 (41 per cent), in 1990 the increase was over 14,000, thus by the end of the year the total nearly reached 30,000. The majority of the new businesses are small limited liability companies (kft's) with small capital and only a few employees. Most of these work in the areas of domestic retail sales, in the construction industry and in the mechanical industry. A considerable increase can be observed in the number of joint stock companies, while the total number of subsidiaries and joint ventures together dropped by almost one fifth. At the end of December, 60 per cent of all businesses employed less than 20 people, and a further 15 per cent employed 21-50 people.

190. More than 3,800 companies, 28 per cent of the companies with legal entity status established last year, were set up with the help of foreign capital. Thirty-six per cent of their equity, approximately USD 400 million, was in foreign exchange, with three major currencies dominating (the United States dollar, German mark and the Austrian schilling). The majority of the new joint ventures are small, 57 per cent of them have an equity of up to HUF 1 million only, and only 2.4 per cent of them have an equity of more than HUF 100 million. These latter ones represent 77 per cent of the equity.

Economic performance

191. After the stagnation in 1988 and 1989 the total of production and services (GDP) dropped in 1990 by 4 to 5 per cent. The decrease can be observed in all major production sectors, having mostly economic, demand and structural reasons behind it, and moreover, the drought was also an important factor.

192. The fall in production had an effect on outlay as well: the amount of imported raw materials, semi-finished products and spare parts was 13 per cent less than in 1989; energy consumption in the economy as a whole, based on heat value, dropped by 6.2 per cent as compared to 1989. The number of employed people fell by 10 per cent in industrial companies (employing more than 50 people).

193. The decrease in industrial production became more rapid in 1990. At comparative prices, the industrial sector produced 4-5 per cent less products than in 1989. The decrease took place in companies employing more than 50 people, which make up 94 95 per cent of industrial production, and production here was 8.5 per cent less than in 1989. The decline in production in this area in the fourth quarter of the year was smaller (4.6 per cent) than in the first half or in the third quarter of the year (6 per cent and 10.7 per cent, respectively). In the processing industry, which makes up two thirds of the total value of production, the decrease equalled the average. The production of basic materials, which represents 13 per cent of total production, dropped the most (15.4 per cent). In the energy sector, production dropped by 3.9 per cent.

194. Exports of industrial products in the rouble accounting system was 27 per cent behind that of 1989, and the decline was general and

large scale, except for a few areas. The non-rouble accounting exports of industrial products increased by 13 per cent, and the growth rate in the second half of the year was slower (10-12 per cent) than in the first half (15 per cent). One fifth of industrial sales were directed towards wholesale and retail, and the amount delivered was 10 per cent less than the year before. About half of the receipts went for production or for investment. The deliveries among industrial companies dropped by 9 per cent, and industry sold 16 per cent less to domestic producers and investors than in the previous year.

195. The domestic industrial sales price level was 24 per cent higher than the annual average in 1989. The December price level was 38 per cent higher than last year, and the price of energy sources increased between one and a half and two times the price.

196. Production by construction companies carrying out nearly half of all construction-assembly activities lagged 16 per cent behind that of the year before, at comparative prices. Construction-assembly activities of the surface construction industry declined the most, which is connected to the considerable decline in construction investments and in housing starts. In 1990 construction companies finished 27 per cent less flats than in the previous year. Altogether 43.8 thousand flats were constructed in 1990, which is 7.7 thousand (15 per cent) less than a year before and did not reach even half of those 10 years ago. Ninety-two per cent of the flats were built mostly with private resources, with the help of loans. One fifth of the construction with private resources were flats built for sale by the National Savings Bank and other companies. In 1990 the number of flats built with private resources decreased by 13.5 per cent and those built with State resources dropped by 30 per cent.

197. Fifty-five per cent of the flats were built by the people themselves, and 17 per cent by private contractors. These latter ones played an increasing role as a result of the decline of large construction companies.

198. Housing construction in Budapest is even worse than average: hardly 7,000 new flats were built, and this is 22 per cent less than the year before, and moreover, construction with State resources dropped by 56 per cent.

199. The decline in the will to build new homes is indicated by the 43,000 new construction permits issued this year, which is 8,000 less than the year before. The number of flat constructions in process was nearly 100,000 at the end of the year.

200. After the nearly 10 per cent increase in the price level of construction-assembly works in 1989, it increased by a further 17 per cent in 1990.

201. The amount of gross agricultural production dropped by 6 to 7 per cent in 1990 as compared to 1989. The largest decline occurred in plant cultivation (10-11 per cent), while in animal husbandry it was nearly 2 per cent. Last year there was an exceptional drought in the period of cultivation and this was the basic reason for the decrease in the yield. In 1990, 12.2 million tons of cereals were produced, 2.8 tons

(18 per cent) less than the year before. The yield of full-eared corn was mediocre, while that of maize was 36 per cent less than in the previous year. In 1990 vegetable and fruit production decreased, but the production of grapes and wine increased.

202. At the end of the year, there were 8 million pigs kept on farms, which was 4.4 per cent more than the year before. The cattle population was 1.57 million head, sheep 1.9 million, which was 2 per cent and 10 per cent less, respectively, than at the end of 1989. A stock of 43.3 million hens was 18 per cent less than the year before. The purchase of livestock and animal products decreased in 1990 by 7 per cent. The decrease caused a critical situation in the cases of piggeries and dairy farmers, which forecasts a lasting decline in the will to keep animals on private farms, which make up the largest part of production.

203. The producers' sales price of agricultural products increased by 31 per cent. Crop and horticultural products were bought by wholesalers at a price 43 per cent higher, and livestock and animal products were purchased at a price 25 per cent higher than the year before.

204. In 1990, transportation industry declined as well. Cargo shipping of transportation companies declined by 10 to 11 per cent, passenger transportation by 7 to 8 per cent; the role of public sector is being taken over here more and more by the private sector.

Foreign trade relations

205. Within foreign trade, rouble trade dropped considerably, while convertible currency trade increased significantly. Among other factors, the further substantial liberalization of imports, the opening of the stock exchange, measures taken towards privatization helped to strengthen the market. Production and consumer prices increased at a much faster rate than before, which was the result of price liberalization, the wage and salary policy and the requirements for maintaining budget balance. The decline in the demand in the domestic and rouble markets, the structural problems in the economy and restructuring together have led to a considerable decline in production as a whole and in every important sector, as compared to the previous year. Consumption declined as well, both among the population and investors. The convertible currency current balance improved considerably, especially because of the increase in the foreign trade surplus and because of the substantial surplus income from tourism.

206. Due to the large amount of convertible currency debts and debt servicing, the central issue of the economy has been and still is the maintenance of the equilibrium. During the last year, there was a USD 130 million surplus in the convertible currency balance of payments, its importance is emphasized by the fact that the last time there was a surplus was in 1984, and in 1989 the deficit was USD 1.4 billion. In 1990 the surplus from foreign trade, the surplus income from tourism and the surplus from services and unilateral transfers together was more than the net interest burden of USD 1.4 billion on the convertible currency debts. At the same time, new loans covered the costs of back payments of medium- and long-term loans of USD 2.5 billion. By the end of the year, the gross amount of convertible currency debts was about

USD 21 billion. At the end of 1990, short-term loans were less, and medium- and long-term loans were more than at the end of 1989. Net debts turned out to be USD 16 billion.

207. As opposed to the occasionally raised issue of rescheduling of debt payments, the Government has committed itself to pay debt services exactly on time, which has had a positive impact on ever-widening international relations.

208. At the beginning of 1990, there was a strong limitation of rouble related exports in order to prevent the formation of further huge surpluses in this area. Because of this and because of the deteriorating economic relations with these countries, the amount of rouble related exports decreased by 26 per cent, these imports dropped by 18 per cent as compared to 1989. The decline covered practically all products. A 31 per cent decline in the export of machines and installations hit the companies especially hard, but the economy was just as shocked by the 12 per cent drop in the import of energy sources.

209. The non-rouble related exports increased by 9.5 per cent as compared to that in 1989, however, this replaced the lack of rouble related exports only in part, thus the total exports was 4 per cent less than in the previous year. The importance of the growth in non-rouble related exports is increased by the fact that exports had increased the previous two years as well, by 18 per cent altogether. The 1990 growth rate of non-rouble related exports was assured by a better sale of industrial finished goods, among them machines and installations and material-like products. The increase in non-rouble related imports was less than 3 per cent. At the same time the ratio of the liberalized, freely importable products increased from 40 per cent in 1989, to two thirds in 1990. The major item in the growth in non-rouble imports during the year was the importation of energy sources mainly that of mineral oil. (64 per cent of the energy sources were actually imported at the end of the year, in November and December). Convertible currency imports of machines increased by 6 per cent consumer goods by 16 per cent, foodstuff by 12 per cent. Imports of materials, semi-finished products and spare parts dropped by about one tenth.

210. Imports of goods from rouble and non-rouble related trade altogether decreased by 5 per cent, and 13 per cent less material-like products were imported than in 1989.

211. As a result of changes in these two major trade relations, the ratio of non-rouble related trade increased from 57 per cent in 1988, to 62 per cent in 1989 and to 71 per cent in 1990, that of rouble related trade decreased proportionally.

212. In 1990 the non-rouble accounting balance improved further: the surplus of USD 945 million is 1.8 times as much as the year before, and the majority of the surplus resulted - unlike before - in the trade with developed industrial countries. There is an equilibrium in the rouble accounts, while in 1989 there was a surplus of exports of Rbl. 544 million.

213. In international tourism, the number of those entering Hungary increased one and a half times, to 37.6 million. Those arriving from Romania and

Yugoslavia figured decisively in this increase. In spite of the large number of entries, the turnover of guests in commercial accommodations dropped by 14 per cent, to 3.5 million. The number of Hungarians travelling abroad dropped by 6 per cent to 13.6 million.

214. As opposed to the large deficit of USD 420 million in tourism in the previous year, in 1990 a surplus of USD 300 million was formed - mostly due to the strict limitation on Hungarians' personal foreign exchange ability - in rouble related tourism the income was considerably less than in 1989.

International comparison, forecasts

215. In international comparison, the performance of the Hungarian economy is far behind that of Western countries. The index of per capita GDP in dollars can compete only with the Eastern European countries.

216. The level of employment can still be considered high, however, the continuing process of restructuring the economy will decrease it. Consequently, the relatively small number of unemployed will increase.

217. According to the forecast prepared by the Hungarian Economic Research Institute in March 1991, a deeper recession, a stronger differentiation process and the continuation of structural changes are to be expected.

218. The big question for the Hungarian economy in 1991 is whether the process started in 1990, which forced companies to switch towards Western markets because of the narrowing down of Eastern markets, will continue or not.

219. Regarding the perspectives of Hungarian economy, th determining factors are the following:

- Creating legislation of basic importance in order to support the privatization process, creating a stable situation and attracting foreign investors;

- Settling the mass-scale problems of liquidity. Some companies have already learnt to deal with this question, however, the most serious problems arise for the relatively weak small businesses established in mass, which are a potential force in getting the economy moving. If this problem is not solved, contract discipline will decline, thus creating a lack of confidence in the Hungarian economy.

220. As regards to the future of the Hungarian economy, a positive sign is that a clear, overall four-year programme exists which is accepted even by the opposition, and which is suitable to manage the current crisis.

Major economic data

Item	1980	1990
	Previous year = 100.0 (at comparable price level)	
Gross industrial production	99.0	95
Gross agricultural production	98.7	93-94
Imports	101.1	95.0
rouble related trade	93.1	82.2
non-rouble related trade	107.1	102.8
Exports	100.3	96.1
rouble related trade	94.0	73.9
non-rouble related trade	105.0	109.5
Retail trade turnover	99.8	approx. 94.0
Investments by companies	103.0	approx. 83.0
Consumer price index	117.0	128.9
Other data		
Balance of foreign trade (HUF billion)	+47.8	+58.7
Within this:		
rouble accounts (Rbl.million)	+544	-3
non-rouble accounts (USD million)	+540	+945
Convertible currency balance of payments (USD million)	-1.437	+127
Number of businesses	15,235	29,470
Of these: kft (Ltd)	4,485	18,317
joint stock companies	307	646
Number of employees in production sectors (thousand persons)	3,211	2,839 a/
Of these: in industry	1,356	1,209 a/

a/ Companies employing more than 50 people.

II. GENERAL POLITICAL STRUCTURE

A. The Parliament

Parliamentary republic

221. Parliamentarism in Hungary can boast traditions which stretch back many years. Popular representation in the civil sense was first introduced into the country under laws passed during the 1848 War of Independence. The 1990 elections, which marked the return of a multi-party democracy, were also the 34th time voters went to the polls in Hungarian legal history.

222. In 1989-1990, the evolution of Hungarian society and of the Hungarian State, which came to an abrupt end in 1948-49, once again resumed its own natural course. With the new Constitution proclaimed on 23 October 1989 - this date became the country's new national day - the Republic of Hungary assumed a genuinely European form of government as an independent, democratic, law-governed State. This was, in fact, a return to the spirit of Act 1 (1946) on republican statehood, and revived the idea of the distribution of power.

223. The constitutional relationship between the three main participants in the administrative system - the President of the Republic, Parliament, and the Government - is determined by the classic democratic principle of checks and balances between the various branches of power. In Hungary, the parliamentary rights of dissolution, adjournment and veto indicate the extra weight the legislative branch has in the constitutional system. The institution of the constructive no-confidence motion is a special aspect of the Hungarian form of government, a feature that makes for stable administration over long periods.

Single-chamber Parliament

224. Up to 1945, the Hungarian Parliament consisted of two chambers: the House of Representatives and the Upper House. Both in its structure and appointment, the magnificent building in Budapest that is home to the parliamentary sessions still reflects the original aim of providing facilities for two chambers. However, since 1945, the Hungarian Parliament has been a unicameral institution and the recent, sweeping reforms in the country have done nothing to change that. In March and April 1990, Hungary's single-chamber parliament was elected for a term of four years. It has 386 members, 176 of whom won their mandates as candidates in individual constituencies, 152 were elected on the basis of county and Budapest lists (20 constituencies in all), and 58 selected from the national party list on the basis of a nationwide summary of surplus votes. Regardless of the way they won their seats, each member of Parliament has exactly the same rights and obligations.

Parliamentary elections: rules and procedures

225. The law on parliamentary elections (Law 34, 1989) provides for a rather complicated, mixed electoral system, with individual constituencies fielding individual candidates on a democratic basis, and with party lists. As the name implies, these lists are reserved for parties, and the voter has to choose the party of his preference. In both cases, an absolute majority of

votes is required to secure a seat. In a nutshell then, in this dual, two-vote system, the elector casts one vote in support of the individual representative he favours in a given constituency, and with his other ballot, supports the party of his choice.

226. To be nominated in an individual constituency, a candidate needs a total of at least 750 recommendation slips signed by registered voters in that district. Similarly, a party is required to collect a minimum of 750 signatures before it may put up its own list of candidates. To put up a regional list, a party must have fielded candidates in at least a quarter of the individual constituencies, and in no circumstances fewer than two individual constituencies. In order to put up its own national list, a party must have met the conditions for compiling a minimum of seven regional lists.

227. The Electoral Act passed in 1989 was intended as a law of political transition reflecting social realities, and this is why it introduced the mixed system. In actual fact, the original idea of the dual voting system thought up at the National Round Table did not live up to expectations. The vast majority of voters favoured the new large parties, which apparently inspired them with more confidence, on both their voting slips. This clearly demonstrated that personalities - all 1,623 of them, or 9 per constituency - were of secondary consideration.

228. The elections that took place in the spring of 1990 were clearly multi-party elections; they both gave rise to, and legitimized, a multi-party system.

The composition of Parliament

229. The dimensions of the change in regime are very clearly indicated by the number of new faces the spring elections gave to Parliament. As many as 95.6 per cent of the mandates went to new MPs, with only 17 MPs managing to hold on to their seats. Most of these were from the former opposition groups or were independent. A good many people who were earlier persecuted or sentenced to prison terms on account of their democratic opposition stand, now gained seats in Parliament.

230. Today, Parliament is overwhelmingly composed of arts graduates. The largest single group of mandate-holders is made up of lawyers. The typical Hungarian MP is 46 and male. Women hold only 7.25 per cent of the seats. The general shift in the composition of Parliament seems to have been towards the "conscript father" type of representative, and reflects a special appreciation of professionalism.

231. The most important aspect of the change is that Hungary's Parliament once again stands for a multi-party system of political representation, and expresses the political divisions that exist in the nation. Thanks to the fact that the law acts as a screen (the 4 per cent rule for putting up lists, for instance), only 6 of the 29 parties which had managed to put up candidates actually remained in the running. The sound operation of the system of checks and balances, promoted the formation of a stable government coalition based firmly on the principle of parliamentary majority. The six strongest parties received the following percentages of representation in Parliament:

Hungarian Democratic Forum (MDF)	42.7%
Alliance of Free Democrats (SZDSZ)	23.6%
Independent Smallholders' Party (FKgP)	11.4%
Hungarian Socialist Party (MSZP)	8.5%
Federation of Young Democrats (FIDESZ)	5.4%
Christian Democratic People's Party (KDNP)	5.4%

232. Three of the six parliamentary parties today are new, and the remaining three figured earlier in Hungarian history. Of the historical parties, voters seemed to go for those which had been set up on entirely new foundations and identify with the major political trends in Europe. The three new parties - the MDF, SZDSZ, and FIDESZ received a total of 55.05 per cent of the votes.

233. The political composition of Parliament expresses the electorate's support for traditional European, and peculiarly Hungarian, political trends. The Christian national line has many adherents: as a matter of fact, religious preferences also played a part in the elections. Well represented is liberalism in its European and national versions. The tendency of voting against the past kept down the number of seats held by the Left and the Left Centre.

Parliamentary factions

234. In accordance with parliamentary procedure, representatives of parties that hold mandates and MPs who do not belong to any party may join forces and act together in permanent groups called factions. At the founding session of Parliament on 2 and 3 May 1990, the various parties announced that they had formed their factions, each with at least 10 members.

235. Following a certain amount of rearrangement after the joint candidates of two or more parties had begun to seek out factions and Zoltán Király left the Hungarian Democratic forum (MDF), the forces in Parliament showed the following distribution in September 1990:

Hungarian Democratic Forum (MDF)	164 MPs
Alliance of Free Democrats (SZDSZ)	94
Independent Smallholders' Party (FKgP)	44
Hungarian Socialist Party (MSZP)	33
Federation of Young Democrats (FIDESZ)	22
Christian Democratic People's Party (KDNP)	21
Independents	8

236. The factions play an important role in the preparation of parliamentary decisions; and the initiatives, proposals and comments put forward on their behalf carry substantial political clout.

237. Act LVI (1990) made provisions for fees, reimbursement of costs, concessions, and other entitlements for Members of Parliament, and it also ensures them office space, and typing and other office personnel. To have access to professional advisers in questions that require special assistance, all each faction has to do is pay for such services and present the bill.

238. The standard of the work the factions carry out is, of course, largely influenced by the state and size of the party concerned, the degree of its internal democracy, material position, and the professional assistance it can rely on. There are significant differences in this respect between the individual factions, and consequently, each has developed its own distinct profile.

239. The political role the factions assume in Parliament depends largely whether they support the on Government or the Opposition. The three-party Government coalition, made up of the Hungarian Democratic Forum, the Smallholders' Party and the Christian Democratic People's Party, all tow a similar line, whereas the three opposition parties and the group of independent MPs go their own separate ways.

Scope of decision-making

240. The return to parliamentarism and the fact that Hungary has become a parliamentary republic, render Parliament the central factor in the administration of the country. This means that Parliament has considerable scope and extensive authority in decision-making.

241. Hungary's transition to a law-governed State and the shift in regime required strenuous legislative efforts on the part of Parliament. The body's first act was to frame the law on the significance of the Revolution and Freedom Fight of October 1956. During its first 100 days - that is, up to the beginning of the regular autumn session - Parliament passed nearly 40 new laws.

242. Parliament has substantial scope as regards the entire government organization. It elects the President of the Republic, the Prime Minister, the members of the Constitutional Court, the ombudsmen for civil rights and for national and ethnic minority rights, the president and vice-presidents of the State Audit Office, the president of the Supreme Court, and the Attorney-General.

243. Parliament also has more pronounced supervisory powers than before. Parliamentary control can be seen at work partly at the plenary sessions (interpellations, questions and answers, and ministerial reports), and partly in committees (e.g. hearings). In this control activity the constitutional institutions attached to Parliament - such as the State Audit Office, which is Parliament's financial and economic control body, and the ombudsmen, who deal with the observation of civil rights - provide assistance in this supervisory activity. (As yet, the ombudsmen have not actually been appointed; for the moment only the institution exists.)

244. Other traditional powers of Parliament listed in the Constitution include exercising amnesty, calling referenda, deciding about the deployment of armed forces at home or abroad, dissolving any local representative body whose operation is unconstitutional, etc. A comparison of the constitutional competence of the Hungarian Parliament with the authority of other national assemblies will confirm that Parliament is the strongest branch of the State administration in Hungary.

Organization: parliamentary committees

245. The present organizational framework - i.e. the officers and committees of Parliament - was created at the founding session of Parliament. Parliament has a Speaker, three deputy speakers and eight minute-takers. The Speaker of Parliament (until 3 August 1990, acting speaker) is György Szabad (MDF). The deputy speakers are Alajos Dornbach (SZDSZ), Mátyás Szürös (MSZP), and Vince Vörös (FI[illegible]).

246. As the highest-ranking officer and public dignitary, the Speaker is the central figure both at Parliamentary sessions and during the preparations for them. He is the chairman of the House Committee, convenes and opens meetings, and puts forward motions on the agenda. He conducts the debates of Parliament, enjoys a wide scope of authority (e.g. disciplinary rights), and plays a significant role in parliamentary decision-making.

247. The new Parliament set up 10 standing and 4 special committees.

248. The House Committee is a kind of top coordinating committee that makes for smoothness and efficiency in the work of Parliament. Its chairman is the Speaker of Parliament, and its members are the parliamentary deputy speakers and the faction leaders.

249. Parliament may delegate a committee to probe into any question (ad hoc committees).

250. The composition of the parliamentary committees corresponds to the election returns the various parties had. Parliamentary committees in Hungary are not open, and although they regularly consult with experts, their actual members are exclusively MPs.

251. The committees are the consultative, advisory and control bodies of Parliament, and they play a particularly important role in its legislative work and supervisory and control activity. The committees initiate legislation, submit motions for amendments and decide on a multitude of motions put forward by MPs. The supervisory rights of the committees are based on the Constitution. All bodies and people are duty-bound to supply data and information when requested to do so by the parliamentary committees, and to appear at a hearing before them if summoned.

252. Until the recent change in regime, the unified official organization of the Hungarian Parliament was not very large. It consisted of a general secretary, the Office and the secretariat of the Speaker. Forming the new mechanism to support Parliament in its everyday work is already under way.

253. The Parliamentary Library, the reference library for MPs and a storehouse of political history, is in the building.

Parliamentary procedure

254. Since 2 May 1990, the Hungarian Parliament holds two regular sessions a year: it now sits in permanent session from 1 February until 15 June, and from 1 September until 15 December. In the summer of 1990, it held an extraordinary session.

255. Parliament holds its plenary meetings on the first two days of the week; and the committees meet on the following two days. MPs generally spend the last workday of each session in their constituencies.

256. Sessions of Parliament are open to the public; in fact the media are present, and there are regular and live televised and radio broadcasts of plenary meetings.

257. There is a quorum in Parliament when over half the MPs are present. The general procedure is that decisions need the votes of two thirds of those present to be carried, but for constitutional amendments and some other important decisions, the votes of two thirds of the total parliamentary membership are required. The forces present on the political scene are in this way brought into play according to their actual balance. There is soon to be a new parliamentary procedure.

The legal status of MPs

258. Although the individual constituencies still exist, MPs enjoy full immunity (e.g. no recall is possible). MPs represent the entire people and work for the public good; they are not subject to instructions, and need not accept assignments; they simply have to heed their own conscience.

259. Though legally their mandates are completely free, politically speaking, MPs belonging to the parliamentary parties obviously have to adhere to the policies of their factions.

260. MPs involved in major parliamentary activities are vested with certain important rights under the Constitution. For instance, they may initiate legislation, ask questions, and put forward interpellations. Some of the rights are attached to the individual MP and others to a group of MPs (e.g. it takes at least one fifth of MPs to initiate a no-confidence motion).
Act LV (1990) on the legal status of MPs regulates parliamentary immunity in both its well-known historical senses, viz. non-accountability for what they say in the heat of parliamentary debates, and immunity in cases not connected with parliamentary work.

261. That same law and the Constitution laid down a number of incompatibility rules in view of the principle of power sharing. Incompatibility extends particularly to public offices, and means that no MP may also, at the same time, be a judge or prosecutor or hold a State administration post. Apart from the cases of incompatibility mentioned in the law, an MP may remain in employment or pursue paid private work during his term in Parliament. In other words, the law does not require full-time parliamentary service but leaves the question up to the individual MP.

262. Members of Parliament are entitled to a fee for their parliamentary work ensuring their independence, and also to certain benefits as well as reimbursement of costs. An MP's salary consists of a basic sum and supplements, with the basic salary always amounting to 50 per cent of a minister's salary and supplements varying according to special assignments.

263. The law provides for material compensation proportionate to the increased work parliamentary representatives have today. Under such conditions and the social expectations they express, it is very likely that the majority of MPs will opt for full-time work in Parliament, and thus for professionalism.

The legal guarantees of parliamentarism

264. The three main requirements generally set for a constitutional parliament are outlined below:

- a democratic electoral system, that is, genuine popular and party representation;

- the scope of decision-making has to be protected in view of power sharing;

- the parliamentary procedure must be democratic and guarantee freedom of action for the smaller parties and factions in Parliament.

265. These requirements are contained in a country's Constitution, electoral laws and house rules, which thus present some measure of the democratism of the parliamentary system of any given country. In the light of these documents, the Hungarian laws cited fully indicate that parliamentarism is legally guaranteed in the Republic of Hungary.

B. The Coalition Form of Government

The Government

266. On 8 May 1990 the President of the Republic of Hungary requested the President of the largest Parliamentary party, the Hungarian Democratic Forum, to form a new Government, and Parliament elected József Antall Prime Minister on 24 May 1990. A coalition Government was formed with the participation of the Hungarian Democratic Forum, the Christian Democratic People's Party and the Independent Smallholders' Party.

The Government's consultative bodies

267. The Government sets up a cabinet, a government committee, a college and a consultative body, and appoints government commissioners.

268. Present-day Hungarian regulations and constitutional practice have imbued the concept of a cabinet with a special meaning. What this boils down to is that the Cabinet is a consultative body that prepares government decisions, and presents preliminary views on every question within its competence that requires a government decision or concerns the realization of the Government's political and economic goals. The Government created the Economic Cabinet to consult on strategic issues concerning the economy.

269. The Government Committee prepares decisions and is a coordinative and supervisory body that also has the power to take decisions in certain cases. Recently, a Committee on Science Policy and a Council on Science Policy were set up.

270. The College and the Consultative Body, which assist the work of the Government in preparing decisions, occasionally submit reports on their work to the Government.

271. The Government Commissioners are empowered to act on behalf of the Government, and periodically report on their activities and what measures they have taken. There is a government commissioner, for instance, for the Budapest-Vienna World Expo, and one for the Danube water barrage.

272. Developing a new type of public administration is a long-term programme, one the law on State secretaries goes some way to bring about. Similary, certain conclusions can be drawn from the Law on Local Governments:

(a) The public administration set-up and personnel under the political State secretaries are to become politically neutral. Professionalism will be the determining factor and staff will be engaged under indefinite contracts.

(b) Contrary to earlier solutions, the functions, organization and activities of public administration, and the functions of local Governments will be entirely separate both in theory and practice. In other words, the system of hierarchy that prevailed until now between the two systems will cease to exist.

273. Certain urgent administrative measures have already been taken: an Office for National and Ethnic Minorities has been set up, for instance. The tasks of this office include preparing the Government's minority policy; shaping minority policy concepts; following up how national and minority rights are observed; and promoting respect for these rights; keeping in constant touch with the Parliamentary Commissioner for Minorities; and promoting exchanges of opinions and information between the Government and minority organizations.

274. The Office for National and Ethnic Minorities is an independent public administration body operating under the supervision of a minister without portfolio: its president is appointed by the Prime Minister on the recommendation of the minister without portfolio concerned.

275. The Republic of Hungary has a parliamentary system of Government. Hungarian parliamentarism has certain special features which are worth noting.

The President of the Republic

276. The President of the Republic of Hungary is the country's head of State. He stands for national unity and oversees the democratic operation of the State. Not in all areas which fall under his umbrella can the President of the Republic act independently: to exercise some aspects of his authority, he first needs the counter-signature of the competent minister (concluding international treaties, the appointment and accreditation of ambassadors and envoys, exercising clemency, etc.); other fields of his competence - including the presidential privilege of participation and speaking at parliamentary sessions and at the meetings of the parliamentary committees, and initiating legislation and referenda - do not require counter-signature. One interesting feature of the Constitution is that not only does it ensure the President the right to initiate legislation, but it also gives him a limited veto: before a law is promulgated, he may return it to Parliament once for reconsideration.

277. If Parliament cannot be convened, the President of the Republic may declare a state of war or a state of emergency. It is up to a body consisting of the Prime Minister, the President of the Constitutional Court and the Speaker of Parliament to decide whether there are sufficient grounds for calling a state of war and/or a state of emergency in the first place, and whether Parliament is really prevented from going into session.

278. The President of the Republic is the Commander-in-Chief of the country's armed forces.

279. If the President of the Republic so requests, Parliament has to be convened. On the other hand, Parliament may only be dissolved if the Government has been defeated at least four times within 12 months, or if Parliament does not elect the Prime Minister proposed by the President of the Republic within 40 days. Parliament elects the President of the Republic for a term of five years; he may be re-elected for a second term.

280. If the President of the Republic violates the Constitution or any other law, he may be stripped of his office. If he commits a criminal offence, he is liable to be tried and sentenced by the Constitutional Court.

Specific features of Hungarian parliamentarism

281. One of the specific features of Hungarian parliamentarism is that under the Constitution, the Prime Minister is the supreme authority as regards government activity and responsibility.

282. The Prime Minister is elected by Parliament on the recommendation of the President of the Republic; his election requires a majority vote from MPs. Ministers are appointed and relieved by the President of the Republic on the recommendation of the Prime Minister. The Government is formed when the ministers have been appointed. After the formation of the Government, its members take the oath of office. The Government cannot operate without the confidence of Parliament: its mandate ceases when Parliament withdraws this confidence.

283. The Constitution lays down that a constructive vote of no confidence is possible against the Government. This means that MPs can raise a motion of no confidence against the Government only if at the same time they make a proposal as to the new Prime Minister. In other words, carrying a no-confidence vote automatically invests the person proposed with the office of Prime Minister.

No confidence

284. The significance of the institution of the constructive no-confidence motion is that in order to oust the Government, it is not enough for the opposition parties to be agreed on this point: they also have to arrive at a consensus on who the new Prime Minister is to be.

285. A vote of no confidence may be initiated only against the Prime Minister, and cannot be proposed against individual ministers. The other side of the coin is that no confidence against individual ministers counts as no confidence in the Prime Minister.

286. The Government itself may raise the issue of confidence through the Prime Minister. The Government, again through the Prime Minister, may also recommend that voting on a particular proposal it has submitted should at the same time be cast as a confidence vote.

The Prime Minister and his cabinet

287. The present Constitution has made for a government system that expects almost total political solidarity with the Prime Minister from his ministers. In other words, the governmental system is built on ministers' political solidarity with the Prime Minister. In this way, the relationship between the Prime Minister and the individual ministers could almost be likened to the sort of relationship that has developed between the President of the United States and his secretaries under the Constitution of the United States. As a matter of fact, it is not the scope of authority of the Prime Minister, but that of the Government and the individual ministers, that the Constitution and other legal provisions generally deal with, though the Prime Minister is free to set the political limits on their sphere of authority.

288. This relationship between the Prime Minister and his ministers as regulated by the Constitution is, however, modified by shifts in the balance of power effective at any one time in Parliament; that is, if the Prime Minister wants to rely on a parliamentary majority, he has to take into consideration the political intentions of the ministers the coalition parties have "delegated".

The legal status of State secretaries

289. The distribution of ministerial portfolios among the (coalition) parties more or less corresponds to the number of Parliamentary mandates these parties won. It is not only on ministerial level, however, that the coalition parties share in the responsibility of Government.

290. The law adopted after the general elections defines the legal status of State secretaries. The basic premise of the law is that public administration must be politically neutral in regard to parties. The responsibilities and the legal status of State secretaries is regulated in accordance with the premise.

291. The State secretary is the administrative head of each ministry. Only suitably qualified people may be appointed to this office; the post is for an indefinite period. The case is different for political State secretaries. This office goes to candidates nominated by the coalition parties. Consequently, political State secretaries hold their posts as long as the Government is in office. In actual practice, if one party provides the minister who has the portfolio, then the political State secretary may be drawn from a different coalition party, or it is also possible for both minister and political State secretary to belong to the same party. It follows from the above that the primary responsibility a political State secretary has is to promote the representation of the minister in Parliament. However, the political State secretary may not represent his minister at government meetings. At present, the institution of political State secretary is in keeping with the requirements of a coalition government.

C. Local self-Government

Local government rights: the essence of the Law on Local Government

292. At its 3 August 1990 session, the Hungarian Parliament ratified Law LXV (1990). This lays down that every Hungarian citizen - whether he or she lives in a village, the capital and its districts, or in the counties - has a fundamental human right to elect his or her own local government. Citizens have the chance to influence local government through a body of representatives they elect, and also have their own say directly through local referenda.

293. Genuine local governments involve organizational and economic independence and autonomy in scope. The law on local government marks a considerable departure from the council system that excluded or limited organizational independence - such as the existence of executive committees and their dual subordination, and the rights of officers to act as central employers, etc. - and guarantees local government full autonomy as part of the state organization. Local governments constitute a system in which there are no hierarchical relations and where the remaining county and community self-government organizations are not independent.

294. Decisions a local government takes are subject to revision only by the Constitutional Court, or, if a breach of the law is at stake, by the courts.

295. The central state and the government bodies have only normative control over local governments. There are only two exceptions to this: Parliament can dissolve a local government; and prefects appointed by the President of the Republic may exercise control over the legality of operation of a local government. Parliament may dissolve a body of representatives - after a motion has been made to this end by the Government on the basis of consultation with the Constitutional Court - if its operation in some way goes against the Constitution. The prefects who exercise control over the legality of the operations of local governments are appointed by the Head of State in eight regions of Hungary. Each of these officers has only limited rights in checking the legality of operations (e.g. issuing a warning, turning to the courts).

296. Autonomy is defined in the first paragraph of the Law on Local Government. Local governments act independently in all public affairs within the locality. The responsibilities and competence of local governments, whether these be voluntarily undertaken or prescribed, extend to practically all public affairs. Only exceptionally, and then through a legal provision, is it possible to refer any public affairs to another organization such as a state or central body.

297. Economic independence and local government funds are discussed in Chapter 9 of the Law which determines what assets a local government has and the general sources of their incomes. The Constitution and the Law on Local Government stresses several aspects of their historical rights of local governments. There is, for instance, the right to local government property and the right to levy local rates (taxes) and other revenues. The right to pass local statutes and decrees is an essential fundamental right of local

governments. It is up to the local representative body to regulate local social questions not covered by law. Through its decrees, a local government shapes its own structure and procedures independently, and may devise its own symbols, decorations and titles as an expression of the sovereignty of the locality. Local governments are entitled to the right of free association, and may create their own interest organizations.

298. All local governments have exactly the same local rights which are protected by the courts. To defend its rights any local government is free to turn to the Constitutional Court.

299. In this way, the legal rules on local government - which are the encapsulation of the progressive traditions of local government in Hungary taken together with the basic provisions included in the European Charter on Self-Government - provide for the most important guarantees of local governments.

Counties and regions in Hungary

300. The actual administrative divisions of Hungary have altered little with the change in system. The territorial divisions are the capital, Budapest, the counties, cities, towns and villages.

301. What has changed is the decision-making system corresponding to these divisions. Citizens in the communities now have a central role in decision-making. A local government is obliged to hold a referendum, for instance, if the people of the area request the establishment of a new village, the ending of the union of two or more villages, or ask for a new type of union with another community. The population also has to be consulted before many other decisions can be taken. These include handing over an inhabited area to another community, attaching a part of the community to the area of a different county, and re-naming a settlement. The body of representatives, which include such initiatives in its resolutions, plays an important part in decision-making. Decisions on county level concerning, for instance, the union of two counties, its new name and seat, and categorizing a town as a city with county rights, etc., all have to be referred to Parliament. On the other hand, decisions on county and city level, such as founding new villages and towns, the unification of villages, etc., have to be referred to the President of the Republic for endorsement.

302. The law lays down certain conditions local governments are expected to adhere to when putting forward requests. For instance, a new village can be founded out of a distinct inhabited area only if it is able to exercise fundamental local rights and to meet such requirements as providing primary education and health care, which are obligatorily prescribed for local governments.

303. Hungarian settlements are classified by law into the following types: village, large village, town, city of county status, the capital - and its districts.

304. Every former small settlement (joint village formally under the same administration) is in the legal sense, a village with its own local

government. Even the representative body of a village with less than 1,000 inhabitants may create its own office and appoint a parish clerk: in other words, it is entitled to have independent local government organizations. The representative body of a village is elected via local constitutional lists, and its mayor by direct voting.

305. Settlements which had their own village councils when the law came into effect, and villages with a population of at least 5,000, are to be considered large villages. The obligatory tasks and scope of authority of a large village are generally broader than those of villages, and approach those of towns.

306. Local government election procedures in towns are different from those of villages: a town's representative body is voted for under a mixed constituency system, and the mayor is then elected by the local government. A local government in a town usually has a wider range of tasks and authority than in a village.

307. Since 1954, cities of county status have comprised Debrecen, Miskolc, Pécs, Szeged and Győr. The distinction in their legal status lies in the city's full organizational and economic independence from the county. It should be mentioned here that this type of settlement was earlier known as municipality. A town with a population of at least 50,000 may petition Parliament to be considered a city with county status. The body of representatives for a city of county status is a general assembly; moreover, districts, district offices and district bodies may be set up in such cities.

308. A city of county status may also function as a county government.

309. A special law provides for the legal status and government of Budapest, the capital city of Hungary which also symbolizes the sovereignty of the nation. A general assembly of 88 members is the representative body of the capital. It has two chambers, and its 66 members are delegated by the city's districts. The Chief Mayor of Budapest is elected by the general assembly.

310. The county system in Hungary can look back on centuries of traditions. Its system of organization, including the indirectly-elected general assembly, the president and vice-president, the county clerk and the county office, has been preserved in the new law on local government. Of course, at the same time, the county has lost its all-powerful privileges in the field of finance and the budget, and in organization and scope of authority.

311. One very significant change is that the system of hierarchy has been legally abolished: the whole administrative system is now based on the principles of equality, cooperation and association, and on contracts, and is no longer autocratic.

The freedom of association for local governments

312. The law provides for the right of local governments to freely associate with other local representative bodies and for the creation of self-government federations to represent their interests. These are listed as some of the fundamental rights of local government. A local government may cooperate with local governments of other countries and become affiliated with international organizations of local governments.

313. For small, scattered settlements, the freedom of association is of special importance in order to overcome economic disadvantages. The decision of whether, and with whom, to associate, is entirely up to the local government concerned.

314. The law on local government names forms of association (e.g. official administrative partnerships, associations of managing institutions, joint representatives bodies and district clerks) and at the same time makes allowances for other freely-elected form of association. In other words, no form of association may be imposed on any local governments, and no association may violate self-government rights of the participating communities.

315. If a joint representative body is formed, the bodies concerned run a joint office and operate their institutions together; they also write their budgets either in part or completely.

316. A district clerk's office may be operated by adjoining villages of less than 1,000 inhabitants each in order to share administrative responsibilities; in some cases, villages with a population of less than 2,000 may also be included. It is up to the representative bodies of the settlements concerned to agree on a district clerk system. The district clerk holds office hours in each of the villages in his district on at least one day a week, participates at the meetings of the representative bodies, and reports back annually to every representative body.

317. An administrtive partnership may be formed by the representative bodies concerned to deal with the professional handling of certain branches of local administration (e.g. building and construction). Similarly, a management association may be brought into being with the agreement of the bodies concerned in order to look after joint interests (e.g. organized garbage disposal).

318. True to such Hungarian traditions as village associations and town associations, local governments may create their own interest organizations for the collective representation, protection and enforcement of their rights.

319. Apart from association and cooperation that is open to the world and looks beyond the boundaries of a given settlement, considerable importance is also attached to cooperation within a given settlement and its institutional form. It is within the scope of community governments to support voluntary groups of the population and to cooperate with such collectives. The committees attached to each representative body are entirely open.

320. The political theory behind the law on local government sees several links between representative and direct democracy. The representative body defines the order of the direct forums of democracy (e.g. village assembly, municipal forum) that inform the population and the social organizations as well as involving them in the preparation of major decisions. At least once a year, each representative body holds a public meeting, where citizens and representatives of organizations interested in the affairs of the locality may ask questions and make proposals on matters of public concern.

321. The law also makes provision for referenda and other popular initiatives. Such institutions making for regular and continuous participation by the local population will broaden the social foundations of cooperation and prevent local politics from becoming the monopoloy of the influential élite. They will also promote the activity of local society as a whole.

The main tasks and scope of local government

322. The independence of scope and decision-making local governments are guaranteed by law, is an essential condition for their sound operation. The full scope of local governments extends to local affairs, that is, to affairs of direct concern to the population.

323. The law on local government distinguishes prescribed and voluntarily accepted jurisdiction. It lists the obligatory tasks local governments of all types of settlements have to undertake.

324. They must provide:

- hygienic drinking water supply,
- primary education,
- basic health care and social security,
- street lighting, maintenance of local roads, and a public cemetery,

and for

- the observation of the rights of national and ethnic minorities.

325. The obligatory tasks may be set differently for different settlements, depending on the area and population of the settlement and other endowments. The law may set a larger number of obligatory tasks and scope for large local governments.

326. As well as setting the obligatory scope, the necessary material conditions also have to be ensured; this is up to Parliament.

327. Local governments may voluntarily undertake to cope with any local matter not covered by some provisions of the law within the competence of another authority. Criminal investigation is not a local government responsibility. Where it assumes responsibility on a voluntary basis, a local government can do anything that is not contrary to a valid legal provision. However, excessive interest in the tasks a local government undertakes on a voluntary basis must not hamper the fulfilment of its obligatory duties.

328. Local governments may have distinctly different tasks and scopes according to the levels and types of settlement they represent. Local government tasks and jurisdiction come under the umbrella of the representative body, the local government itself. This body may transfer some of its scope of authority to the mayor, to committees, or to the local government of a particular area within the settlement concerned, because the

representative body and its organs are collectively responsible for carrying out the tasks of local government. The rule that the body may not farm out such basic rights of local government as framing statutory decrees and the rights of free association is a guarantee that protects the jurisdiction of local government.

329. The law or government decrees may set administrative tasks and give special authority to the local clerk, and, in exceptional cases, also to his deputy. On the basis of a law or legal empowerment, a government decree may, in exceptional cases, vest a mayor with state administrative authority.

The Mayor

330. With the reintroduction of the office of mayor, an old tradition of Hungarian civil law has been revived. Before World War II and the introduction of the council system, the mayor was the chief official in municipalities with legal authority and in towns with organized boards.

331. The law on the election of local governments states that settlements with a population of 10,000 people or below shall elect their mayors directly. These settlements each make up a constituency. In each constituency, the recommendation of 3 per cent of the electorate is required for nomination as mayor. The candidate with the largest number of votes becomes mayor provided there is a turn-out of at least 40 per cent, and the candidate receives at least one-quarter of all valid ballots.

332. In settlements with a population of over 10,000, the mayor is elected at the founding session of the local government by secret ballot. To run as a candidate, the backing of at least one-third of the local representatives is required. The mayor is a member and chairman of the local government. He convenes and chairs local government sessions, and has considerable authority over the committees. At his request, a committee he wants to consult with has to be convened. The mayor is free to suspend the execution of any committee decision that runs contrary to any resolution made by the representative body or that goes against local government interests.

333. As an elected representative, the mayor is not an administrative officer as such, but a politician. His period of employment commences with his election. Employer's rights and disciplinary authority are exercised by the local government. The mayor's salary - at least 30 per cent and at most 80 per cent of a minister's salary - is likewise set by the representative body.

334. Provided the local government gives its approval and the post is not incompatible with his role as mayor, a person may also carry out his regular job while mayor.

335. The law enumerates a wide range of posts incompatible with the position of mayor. These include public offices, economic posts, and political offices. Thus, a mayor must not be a judge, must not hold a leading post in a business, and must not be a party functionary.

336. The mayor is not only a local government politican; he is also the top local executive. Through the town clerk, he is in charge of the Mayor's Office, the chief office of the local government concerned. He proposes the internal organization and working schedule of this office, determines opening hours, and appoints employees. In exceptional cases, a legal provision or empowerment may vest a mayor with state administrative authority. He exercises this authority with assistance from the Mayor's Office, and may transfer some areas of his authority to other bodies. His administrative activities are subject to the rules and procedures of the civil service.

337. The scope and competence of the mayor is different for different types of settlements. The differences extend to the various election procedures and to the provision that in villages with a population of under 5,000 where the representative body of the local government has to decide, the post of mayor may go to a voluntary office. Especially in larger settlements, the local government may elect a deputy mayor, or deputy mayors, on a similar basis.

The economic foundations for local government

338. The Constitution and the law on local government guarantees local government property as one of the principal basic rights of local government. A local government - and within it, the local body of representatives - is entitled to the usual ownership rights and is subject to the ownership obligations as stipulated in the Civil code.

339. The law lists all the different types of assets - such as real estate within the administrative jurisdiction of a given local government, the woodlands and the bodies of water defined in the law, state property in the custody of the councils and their organs or institutions (e.g. council flats) - that will pass from state into local government ownership. This accumulation of assets may provide local governments with funds they badly need, and may also lead to the development of an ownership attitude on the part of the local government.

340. In future, local government assets are to consist of actual property and of the rights to assets. The principal stock that is intangible and not negotiable, or negotiable only to a limited extent, makes up a separate category of local government property.

341. Local public roads, squares and parks, public utilities and public buildings fall into this category. The law, or a given local government, may also declare other things intangible property.

342. Each local government sets about its voluntarily assumed and obligatory tasks from its own budget, and manages its revenues and expenditures autonomously. Connected to it through state subsidies and other financial links, a local government's budget is distinct from the state budget. The economic programme and the local budget fall exclusively within the scope of the representative body.

343. Each local government draws the funds necessary to carry out its tasks from

- its own revenues
- its share of central taxes
- predetermined budgetary allocations, and
- central subsidies.

344. The law lays special emphasis on local governments having their own revenues. The income of a local government comes from local taxes (rates, cash penalties, etc.) and especially from local enterprises the local government gets involved in as owner.

345. Each local government has the right to engage in an enterprise as long as this does not jeopardize its obligatory tasks and responsibilities. As part of its economic management activity and operations, a local government is empowered to set up a foundation, draw loans or credits, and to issue bonds.

346. Each local government is entitled to its share of budgetary support: this is allocated according to predetermined figures. Apart from this allocation, Parliament can give local governments three categories of special support: support for definite social aims, subsidies for certain big projects, and supplementary state support for local governments in a difficult situation through no fault of their own.

347. The body of representatives is responsible for the reliable economic management and operational security of local governments, and the mayor carries the responsibility for the observance of the rules of law in the community's financial affairs. The State Audit Office supervises local governments' book-keeping.

Representation and self-government rights of national and ethnic minorities

348. In keeping with international commitments, the constitution of the Republic of Hungary provides special protection for national and ethnic minorities. The Constitution provides for the appointment by Parliament of ombudsmen to protect national and ethnic minorities against infringements on their rights. Parliament elects the ombudsmen - one for each of the minorities - from candidates recommended by the individual minority organizations. The Government has created an Office for National and Ethnic Minorities to keep an eye on state responsibilities in connection with the national and ethnic minorities living in Hungary.

349. The national and ethnic minorities are part of the state, and the law ensures their representation and their individual and collective participation in public life. The national and ethnic minorities are entitled to create local and national self-government organizations. One interpretation of this collective right is that the Constitution guarantees their right to achieve regional autonomy. However, as the nationalities are widely scattered

throughout Hungary and since none of them live in a large, single group, regional autonomy - the supreme right of minorities - seems to be an irrealistic demand in the country.

350. The laws ensure that the national and ethnic minorities are represented in the integrated system of local government: in fact, the law on the election of local representatives and mayors devotes a separate chapter to the protection of the rights of national and ethnic minorities. The chapter contains legislation to the effect that the self-governing bodies of minorities need only two-thirds of the votes normally required for election.

351. If no minority candidate receives a mandate from the community lists of the 2,900 or so settlements, the one who has received at least two-thirds of the minimum number of valid votes required of a majority candidate to have a seat is elected. The minority representatives on the local government body elected in this way - one person per minority - complement the local representative body of the community concerned.

352. In the 150 or so towns where a mixed constituency system operates, the minority candidates of the individual constituencies may also enter in separate joint lists - one for each minority. If the minority candidate on the list does not attract a sufficient number of votes to win a mandate, the above two-thirds rule is also applied here.

353. According to the law on local government, a minority candidate who receives the largest number of votes but still does not have enough to get into the representative body, is invited to participate regularly at local government sessions as a consultant and the local spokesman for his minority. At the intiative of minority representatives, the local body of representatives will set up a committee on minority affairs.

354. The law on local government clearly prescribes that the local government of every settlement is obliged to ensure the observation of the rights of national and ethnic minorities, particularly such constitutional rights as the right to use the mother tongue, the right to education in the mother tongue, and the right to foster the national culture of the minority. It is the duty of the local government to guarantee the material conditions on which these rights depend.

III. GENERAL LEGAL FRAMEWORK WITHIN WHICH HUMAN RIGHTS ARE PROTECTED

355. Besides the judicial authorities, nearly all organs vested with administrative powers have jurisdiction affecting human rights. Thus, for instance, the sanitary and epidemic inspector may impose restrictions on the personal freedom of citizens. The trends of legislation nevertheless indicate that human rights and fundamental freedoms cannot be restricted in the future except by court decision and that judicial review will be available in cases of restriction by other authorities. These trends will be strengthened by the ratification of the European Convention on Human Rights, which is expected to take place in 1992.

356. Various legal remedies are available to individuals who claim that any of their human rights have been violated depending on the type of procedure or act by which violations of human rights have occurred. Recourse is typical under the criminal law and the civil law on personal rights. In specific cases, remedy can also be sought in administrative proceedings.

357. Human rights are protected in a comprehensive way by the general (Chapter I) as well as the specific provisions (Chapter XII) of the Constitution. In its general provisions the Constitution, inter alia, states: "The Republic of Hungary recognizes the inviolable and inalienable fundamental human rights; to respect and to protect thereof shall be of a primary duty of the State". Human rights are regulated by legislative enactments, but the essential content of such fundamental rights cannot be restricted even by legislation. "In the Republic of Hungary, the rules respecting fundamental rights and obligations shall be determined by law which, however, shall not limit the substantial contents of any fundamental right."

358. Suspension of the exercise of these rights is allowed only in exceptional circumstances, but certain rights cannot be suspended even in the presence of such circumstances. Restrictions on the exercise of the fundamental rights to life, human dignity, etc. cannot be justified even by a state of public emergency, siege or peril (Art. 8, paras. 1, 2, 4 of the Constitution). Fundamental human rights are specified by Chapter XII of the Constitution.

359. Although these rights are covered and protected by the basic law, the need for elaboration of sufficiently detailed procedural rules and guarantees justifies the adoption of separate laws on particular rights, which are regulated in greater detail by several essential laws adopted since 1989, such as:

- Act II of 1989 on the Freedom of Association;
- Act III of 1989 on the Freedom of Assembly;
- Act VII of 1989 on Strike;
- Act XXVIII of 1989 on Travel Abroad and Passports;
- Act XIX of 1989 on Emigration and Immigration;

- Act XXXIII of 1989 on the Functioning and Finances of Political Parties;

- Act IV of 1990 on the Freedom of Conscience and Religion and on the Churches;

- Act XVII of 1990 on the Parliamentary Representation of National and Linguistic Minorities living in the Republic of Hungary;

- Act IV of 1991 on Employment Promotion and Provision for the Unemployed.

360. Various authorities are intensively working on the preparation of other significant laws such as the law on the press, the radio and television; the law on the protection of personal data and the publicity of data of public interest; the law on the parliamentary ombudsman for civil rights.

361. The norms of international law become part of Hungarian law indirectly, i.e. to be applicable, they must be promulgated by Hungarian legislation. This transformational procedure regulated by the Hungarian legal system has the following phases:

(a) Under the Constitution, the Republic of Hungary shall accept the generally recognized rules of international law and shall ensure their harmony with the domestic law (Art. 7);

(b) The mechanism for this is determined by a separate law, Act XI of 1987 on Legislation, which provides (in Art. 2 (a)) that the fundamental rights and duties of citizens, the conditions for and the restrictions on their exercise, and the rules for their enforcement must exclusively be subject to legislation. The Act enumerates these rights examplificatively (restrictions on personal freedom, right to travel abroad and to passport, freedom of association and assembly, rules on marriage and the family, etc.). The relevant regulations are also applicable to international treaties, but the Act deems it important to state in particular that "an international treaty containing a generally binding rule of conduct shall be promulgated by an act of legislation at the level appropriate to the content thereof" (Art. 16). International treaties affecting fundamental human rights are subject to ratification by Parliament and are incorporated into the Hungarian legal system by parliamentary enactments;

(c) Finally, in the third phase, Law-Decree No. 27 of 1982 on Procedures Concerning International Treaties lays down the technical rules for incorporation of international legal norms into Hungarian Law. The relevant act of national legislation may be promulgated concurrently with, or following upon, the entry into force of international legislation.

362. Settlement of conflicts between an international treaty adopted and the internal law in force is within the jurisdiction of the Constitutional Court. (Act XXXI of 1989 on the Constitutional court establishes two procedures for the settlement of such conflicts: If the legislative provision promulgating an international treaty is in conflict with a rule of internal law equal in hierarchy or subordinate to it, the Constitutional Court shall annul, wholly

or partly, the rule of internal law. If an international treaty is in conflict with a rule of internal law superior to it, the Constitutional Court shall invite the organ or law-making body having concluded the international treaty to remove the conflict. The law-making organ may happen to fail in a duty emanating from an international treaty. Decision in such cases also lies with the Constitutional Court, which shall, by setting a time-limit, invite the body in default to comply with its duty in accordance with the international treaty.

363. It is accordingly necessary that international law regulating human rights should be transformed into internal law to be invoked or to have access to national organs for enforcing it in case of violation.

364. The relevant legislation in force empowers the Procurator's Office to oversee the implementation of human rights, but the Parliament is considering a bill on the parliamentary ombudsman for civil rights, which will place the protection of human and civil rights on a completely new organizational basis. The parlimentary ombudsmen of national and ethnic minorities will be covered by the Act on Minorities, which is likewise in the process of preparation.

365. Hungary is a party to most of the international treaties concluded under the auspices of the United Nations and covering specific aspects of human rights. Under previous practice, Hungary - while acceding to the important international conventions regulating specific areas of human rights - did not, in its reservations made to them, undertake to apply the related control mechanisms. After the profound change of its social and political system those reservations have gradually been revoked. Thus Hungary at present recognizes the competence of the Human Rights Committee, the Commitee on the Elimination of Racial Discrimination and the Committee against Torture to receive and consider individual communications and is ready to cooperate with the competent treaty bodies. Hungary has also recognized and attaches special importance to the competence of the Committee against Torture under article 20 of the Convention against Torture.

366. Hungary is a signatory to the European Convention for the Protection of Human Rights and Fundamental Freedoms as much as to its Protocols. The ratification process of this Convention and its Protocols is currently under way.

IV. INFORMATION AND PUBLICITY

367. All international conventions and treaties to which Hungary is a party are promulgated in the official gazette of the Republic of Hungary. Appropriate publicity is given to them in the media, printed and electronic press.

368. As regards the dissemination of the texts of these human rights instruments the role of the Hungarian Academy of Sciences and the Universities is of paramount significance. The Hungarian Centre on Human Rights within the Academy of Sciences deals, among others, with the translation, publication and dissemination of the relevant documents including not only the legal instruments but Hungarian and international experts publications, as well. It registers the Hungarian legal practice relating to human rights, and is involved in the preparation of curricula in the field of human rights.

369. Activity of the non-governmental organizations - round-table discussions, publications - also represents an important contriution to the promotion of awareness of human rights norms and standards for the public. The Hungarian United Nations Association had so far issued 14 publications in this respect.

370. As regards the preparation of the reports the Ministry for Foreign Affairs as well as the competent authorities are involved. The source of information includes external ones, but the contents of the reports are not subject to public debate. The reports are made available for members of the Parliament, libraries and interested individuals, groups or associations.

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